PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2007–2008

COMPRISING PERIOD
3 November 2008—13 November 2008

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 482**

SIXTEENTH VOLUME OF SESSION 2007-2008

House of Commons

Monday 3 November 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Armed Forces Morale

1. **Malcolm Bruce** (Gordon) (LD): What recent steps he has taken to maintain and enhance morale in the armed forces. [232047]

The Minister for the Armed Forces (Mr. Bob Ainsworth): We are removing disadvantage from service life and enhancing educational opportunity through the service personnel Command Paper. We have encouraged understanding and appreciation of our armed forces by commissioning the national recognition study. We have implemented above average pay increases, particularly for lower ranks, and vastly improved the operational welfare package. We have massively improved equipment and will continue to do so—for example, by investing £680 million in new protected vehicles, as announced by the Prime Minister last Wednesday.

Malcolm Bruce: I thank the Minister for that reply, which goes some way to addressing the concerns, but will he explain the effect on the morale of our troops when the Government can find money for new nuclear warheads for a new tranche of the Eurofighter and yet have consistently failed to provide the troops with the equipment that they need for the task that they face? Will he now undertake to ensure that they are provided with the armoured cars, armoured equipment, helicopters and everything else that they need to do the job that they are being asked to do on the ground?

Mr. Ainsworth: There has been a 60 per cent. uplift in helicopter numbers in Afghanistan in the recent past, and the right hon. Gentleman must accept that we have to provide not only for the current threat but for the many eventualities that will face our country. We must have a balanced defence policy, and the kind of fighting that our people are doing in Afghanistan and Iraq is not necessarily the only threat that they might face in the near future.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I welcome the Minister's comments on improving conditions for our armed forces, but what assessment has he made of the impact of that on recruitment?

Mr. Ainsworth: Recruitment has been challenging in some of the pinch-point areas, as my hon. Friend knows, but, generally speaking, it is holding up, and there have recently been signs that it has improved, as was reported at the weekend in the national newspapers.

Patrick Mercer (Newark) (Con): Last year, my old battalion had to patrol in Snatch vehicles, and it has been told that when it goes back again in the spring of next year, it will have to continue patrolling in Snatch vehicles. It refers to them as coffins. Will the Minister comment on the effect that that will have on morale, please?

Mr. Ainsworth: The hon. Gentleman repeatedly adds his weight to the call for Snatch to be removed from operational theatres, but we are advised that commanders

need a range of vehicles, that Mastiff and vehicles like it cannot do every job that they are called upon to do, and that Snatch is therefore still required. We are now procuring Snatch Vixen, which will be a higher-powered version, able to carry more armour—but the threat will change, and we can rest assured that that vehicle will be overpowered by some of the new explosives, some of the new formed charges, that our people will face in the future. And you can bet your life that some hon. Members will then say that the new Snatch Vixen should not be deployed in theatre. We will never be able to remove the risk entirely from operational theatre.

Mrs. Madeleine Moon (Bridgend) (Lab): One way to raise the morale of our troops is to help them to realise how much the work that they do is appreciated in their local towns and communities. The Regiment of Wales was given the freedom of the borough in my constituency of Bridgend, and that hugely raised the morale of the troops and of the local community. Should that not be one of the ways to demonstrate that we are keen to raise morale and to demonstrate ordinary people's recognition of the dedication of our service people?

Mr. Ainsworth: My hon. Friend is absolutely right. When people return from dangerous operational theatres they need to know that those back home understand what they have been through; the kind of work that they have to do and the kind of dangers that they have had to face. We have seen a huge improvement in the level of recognition and appreciation afforded to our armed forces over the last year, and I pay tribute to the Under-Secretary of State for Defence, my hon. Friend the Member for Grantham and Stamford (Mr. Davies), for his work in the national recognition study, which helped in some way to improve that situation.

Mr. Crispin Blunt (Reigate) (Con): What effect does it have on morale when the Under-Secretary of State for Defence, the hon. Member for Grantham and Stamford (Mr. Davies), blames the commanders for their choice of vehicle, saying:

"in retrospect, a commander chose the wrong piece of equipment, the wrong vehicle, for the particular threat that the patrol or whatever it was encountered and we had some casualties as a result"?

For the commanders on the spot, frequently those choices were certainly not available, as has been made clear by my hon. Friend the Member for Newark (Patrick Mercer). Surely it is simply unsustainable for a Minister to say these things.

Mr. Ainsworth: My hon. Friend was trying to explain to people that a range of vehicles is needed in theatre. Hon. Friends of the hon. Member for Reigate (Mr. Blunt) often say different things from what commanders tell us about Snatch. They tell us that Snatch is needed as part of the suite of vehicles required in theatre. We have spent more than £1 billion on new vehicles already, and we will continue to spend, but commanders will still need a range of vehicles to do the various jobs required of them in our operational theatres.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): I am acutely aware that a significant amount of time elapses between a requirement being made known by operational forces on the ground, and the development of the engineering capacity needed to produce the required improvements. What can my right hon. Friend the Minister do to ensure that the lead time between vehicle aspirations and vehicle delivery to meet operational demand, which is unique in every context, is reduced?

Mr. Ainsworth: My hon. Friend is absolutely right. It is vital that we react to the changing threats as quickly as we can. With regard to Mastiff, we managed to bring in that vehicle, from first announcement to first showing in theatre, in only 23 weeks. We need to try to match that in the future and on every occasion.

Sir Nicholas Winterton (Macclesfield) (Con): Does the Minister accept that saving the lives of service personnel is a very good way of enhancing their morale? Will he therefore see what he can do to bring forward into operation the latest high technology Nimrod MRA4, the spy in the sky, which could give our armed services in both Iraq and, particularly, Afghanistan notice of when they are likely to encounter the enemy?

Mr. Ainsworth: The current Nimrod fulfils that role, as the hon. Gentleman knows. It is a life-saving platform, operating in Afghanistan and doing exactly as he proposes. We are working with BAE Systems to try to bring forward the Nimrod MRA4.

Dr. Liam Fox (Woodspring) (Con): When a loyal and committed officer resigns and cites a specific reason, he should be treated with the utmost seriousness. When, instead, the Under-Secretary of State for Defence, the hon. Member for Grantham and Stamford (Mr. Davies) says that it was

"such a travesty of reality that it is actually quite difficult to take this at first face value,"

it is not only damaging to morale but, frankly, a disgrace. And, when the Under-Secretary said that there were

"a couple of odd things about this resignation",

what exactly did he mean, and when will he apologise?

Mr. Ainsworth: We do take the complaint seriously; we do take the resignation seriously. We do not accept that we are in any way cavalier with our people's safety. We put that at the absolute top of our priorities, and all of us in the ministerial team will continue to do so.

Dr. Fox: Still no apology—yet the Under-Secretary's offence went beyond damaging morale and his own arrogant dismissal of a loyal and committed officer. As my hon. Friend the Member for Reigate (Mr. Blunt) said, the Under-Secretary said:

"there may be occasions when in retrospect, a commander chose the wrong piece of equipment".

Yet is it not increasingly clear that, on the occasion in question, commanders had no choice but to use Snatch Land Rovers? How can it be that after six years and more than £10 billion in spending, we still do not have the armoured vehicles that we require? And, why did the Under-Secretary not take time to discover the facts before opening his mouth and bad-mouthing our commanders?

Mr. Ainsworth: My hon. Friend meant no offence. He was trying to explain to people that we need a suite of vehicles in theatre. That was all he was trying to do, and he did not mean to cause any offence to anyone at all.

Iraq

2. **Mr. Edward Leigh** (Gainsborough) (Con): What progress has been made in the development of Iraqi security forces; and if he will make a statement. [232048]

The Secretary of State for Defence (Mr. John Hutton): UK forces in southern Iraq continue to make very good progress in mentoring and training the Iraqi security forces. We have helped to train over 20,000 Iraqi troops, and the performance of both the 10th and 14th divisions of the Iraqi army is a testament to the vital contribution that UK forces have made to improving security conditions on the ground. We have also helped to train more than 22,000 members of the Iraqi police service, including some 7,800 police officers in Basra itself.

Mr. Leigh: I congratulate the Secretary of State on his promotion to a vitally important role. He is, of course, full of beguiling words about the success in bringing Iraqi forces up to scratch, although it has to be said that when I was in northern Iraq a few weeks ago there was no sight of them: it was all down to the militia. A lot of the success in dealing with violence in Baghdad is down to former Sunni militias.

What does the Secretary of State have to say about the interview given by Mr. al-Maliki, the Iraqi Prime Minister, to *The Times* on 13 October? He was very critical of what he claimed was our secret deal with the Mahdi army, a deal that I am sure the Secretary of State will deny. Mr. al-Maliki also said that the Iraqi forces are now ready to take—

Mr. Speaker: Order. Questions must be brief; other Back Benchers want to come in.

Mr. Hutton: I am grateful to the hon. Member for Gainsborough (Mr. Leigh) for his kind and welcoming words.

On the substance of his points about security conditions on the ground, I should say that it would be wrong to underestimate the contribution that British forces have made to improving the capabilities of Iraqi security forces. When I was in Basra last week, my protection and security were provided by the Iraqi army, militia and police themselves, and that is a significant step forward.

The hon. Gentleman is right to say that there are parts of Iraq in which security conditions are not as good as in the south. However, the whole point and purpose of our mission in Iraq is now to improve the capabilities of the Iraqi security forces. The hon. Gentleman also mentioned the Iraqi Prime Minister, who made it clear to me how much he welcomed the role of UK forces in the south of Iraq. He wanted to see that role be completed in the near future, and it will be. There is no question at all of any secret deal with the special forces or special groups in Basra. Everything that we did was done in full knowledge and sight of our coalition partners and the Iraqi Government.

Mr. James Arbuthnot (North-East Hampshire) (Con): I welcomed the Secretary of State on Thursday, so I shall not do so again. When the Defence Committee visited HMS Chatham and Umm Qasr a few months ago, we saw the fantastic job that the Royal Navy was doing in protecting the oil, the resource that will help bring Iraq out of this dark period of its history. I recommend that the Secretary of State visit the Royal Navy on his next visit. Will he make an assessment of what the Iraqi navy will do in the coming months to boost its own capabilities?

Mr. Hutton: I am grateful to the right hon. Gentleman for his comments. In 2003, the Iraqi navy just did not exist. Clearly, it has an important role to play in securing vital Iraqi interests in the Gulf, particularly in respect of the oil industry and its platforms there. The Iraqis now have security responsibility for one of the two principal oil installations in the Gulf, and that is a sign of progress. The Royal Navy is doing a brilliant job in Umm Qasr, and when I am next in Iraq I hope to see the Royal Navy team there in person.

Mentoring and support for the Iraqi navy will be one of the enduring roles for British security forces in future. I hope and remain confident that the first months of next year will see a significant change in our mission in Iraq, and that will be welcomed on both sides of the House. However, it would be wrong to assume from that that UK forces will have no further role to play in supporting our Iraqi allies. They certainly will.

Mr. Bernard Jenkin (North Essex) (Con): I remind the Secretary of State of how incredibly impressed the Defence Committee was when we saw the mentoring of the Iraqi armed forces in Basra. Although it is inevitable that we will draw down our sizeable footprint there in the months ahead, will the Secretary of State explain what plans there are to maintain a very strong relationship with the Iraqi armed forces? I am thinking particularly of the higher level, at which we saw strong personal relationships that would be very good for the United Kingdom's influence in the longer term.

Mr. Hutton: When I met Mr. Abd al-Qadir, the Iraqi defence Minister, in Baghdad, those were some of the issues that we discussed. He and I want an enduring, sustainable and normalised defence relationship between the UK and Iraq. There are two particular issues on which we can make a significant and enduring contribution. First, we will support the training of the Iraqi officer corps, and we look to formalise those arrangements between us.

Secondly, in the context of what I said in response to the remarks of the Defence Committee Chairman, the right hon. Member for North-East Hampshire (Mr. Arbuthnot), I repeat that we want to continue to mentor and support the Iraqi navy. The UK has a unique contribution to make in those two areas, and I look forward to formalising those understandings with the Iraqi Government in the near future.

Afghanistan (Royal Navy)

3. **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): How many Royal Navy personnel are deployed in Afghanistan. [232049]

The Secretary of State for Defence (Mr. John Hutton): The size of the force committed to Operation Herrick 9 is about 8,000. Since October, 3 Commando Brigade

has formed the core of the Helmand taskforce. As a result, more than 2,000 of that force are currently drawn from the Royal Navy itself. The Royal Navy, and all our forces in Helmand, continue to perform a vital role in safeguarding essential UK interests. We can all be rightly proud of the work that they do.

Linda Gilroy: This is a very significant land deployment of maritime forces. Does my right hon. Friend agree that its purpose is not some sort of discretionary war, as some would imply, but in our vital interests?

Mr. Hutton: I agree absolutely with my hon. Friend. The operations in which we are involved in Afghanistan are vital to UK strategic security interests: that is why our campaign to tackle the Taliban and to deal with al-Qaeda in Afghanistan must succeed. I pay tribute not only to the forces currently deployed in Afghanistan, who are doing a brilliant job—as I have seen myself at first hand—but to all members of the armed forces who have served there since 2003. We can be rightly proud of the contribution that the men and women who wear the Queen's uniform have discharged in Afghanistan.

Mr. Gary Streeter (South-West Devon) (Con): When these brave men and women come back from serving in their deployment in and off Afghanistan, when will they be told whether their frigate's base port will be Portsmouth or Plymouth? The Secretary of State has made that decision; when will he tell the rest of us?

Mr. Hutton: We hope to make an announcement on that in the very near future. The important thing to come out of the review of the royal naval bases is that we are maintaining and operating three, and I am sure that the hon. Gentleman would welcome that.

Frank Cook (Stockton, North) (Lab): Nobody could criticise the naval personnel for the job that they do in Afghanistan, where they are performing magnificently. Sadly, however, we have capital ships afloat that are sailing with crews that are somewhat undermanned in places. That is a real problem. Is it not possible to progress more rapidly the reduction of forces in Iraq, so that we can replace naval personnel in Afghanistan in order to release them for service afloat?

Mr. Hutton: The speed at which we can draw down forces from Iraq will depend, first, on security conditions on the ground and, secondly, on the advice that we receive from our military commanders. As I said before the Select Committees on Foreign Affairs and on Defence last week, we remain optimistic that we will be able to make a very significant change in our mission in the early part of next year. I cannot be more specific than that, for obvious reasons—I do not want to say or do anything that would compromise the safety of our forces on the ground there. However, my hon. Friend, along with every Member of this House, can look forward to significant announcements in the near future.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I say to the right hon. Gentleman that it is very important that whenever Royal Navy personnel are deployed they are deployed in appropriately armoured vehicles? The Minister for the Armed Forces really should avoid suggesting that serious casualties have been caused by officers on the ground choosing wrong vehicles. That is inaccurate, untrue, deeply offensive to their commanders, and damaging to morale.

Mr. Hutton: I think that my right hon. Friend the Minister made our position clear in relation to all these points. I simply re-emphasise the point that he made to the hon. Member for Woodspring (Dr. Fox), which is very important. Because of the additional resources that we have made available to support our deployments in Iraq and Afghanistan, some 1,200 new, better-protected armoured vehicles will be available to support our front-line operations. I am sure that the right hon. and learned Gentleman would want to welcome that additional procurement.

Advanced Research and Assessment Group

4. **Robert Key** (Salisbury) (Con): What work is being undertaken by the advanced research and assessment group at the Defence Academy of the United Kingdom; and how many of its reports have been published. [232050]

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): The advanced research and assessment group conducts research and analysis on a range of geo-strategic and operational issues to influence the development of defence and security capability. During the financial year 2007-08, the group published 91 papers.

Robert Key: The Minister knows that we all support the excellent work of ARAG at the Defence Academy of the United Kingdom. Will he ensure that that the excellent work undertaken at that establishment is better understood across Government, and that wherever possible it is shared not only with Government Departments but with the civil community—for example, through the publication of the excellent Shrivenham papers?

Mr. Jones: I thank the hon. Gentleman for that question. I know that he and other members of the Defence Committee met members of ARAG when they were at Shrivenham on 16 October, and I will pass on their thanks to the staff there. The papers that they produce are already shared across Government where appropriate, but his highlighting of the issue will give them a wider circulation.

Mr. David Crausby (Bolton, North-East) (Lab): My hon. Friend mentioned that the Defence Committee recently visited the Defence Academy, and saw its excellent facilities. However, we were concerned that those world-beating facilities could be even better used. Does my hon. Friend have any plans to extend the work being done in the Defence Academy to utilise those facilities fully?

Mr. Jones: As my hon. Friend knows, in a previous life I visited Shrivenham with him, and I pay tribute to the work done there, not just in support of UK forces, but in supporting international links and many students from a variety of nations. I am due to visit Shrivenham, and I will take back my hon. Friend's message.

Mr. Nicholas Soames (Mid-Sussex) (Con): Does the hon. Gentleman agree that not only the work of the advanced research and assessment group, but that of many other groups, is extremely important in the promotion of defence diplomacy? Would he agree that that is an important part of defence policy, and one that in different days will become even more important?

Mr. Jones: I will break the habit of a lifetime and agree with the hon. Gentleman. The work conducted at Shrivenham and the diplomacy that it does on behalf of the Ministry of Defence, and UK plc in general, is very important. It is also important to ensure that its work is recognised in Government, and that its reports influence policy—and not just in the MOD.

Afghanistan

5. **Paul Flynn** (Newport, West) (Lab): What estimate he has made of the area of territory in Afghanistan under the control of (a) the Afghan Government, (b) the Taliban and (c) warlords in each of the last three years. [232051]

The Minister for the Armed Forces (Mr. Bob Ainsworth): The deployment of additional forces under NATO in 2006 in support of the Government of Afghanistan has led to a significant expansion of the area under their control. UK forces have enabled the Government of Afghanistan to expand control across eight districts in Helmand province, from Kajaki in the north to Garmsir in the south. We should remember, though, that the key to success is winning the allegiance of the Afghan people.

Paul Flynn: I am not grateful for that evasive answer—

Mr. Speaker: Order. The hon. Gentleman will withdraw that remark. No Minister would be evasive on the Floor of the House. He should be a little more temperate.

Paul Flynn: I withdraw that remark, but American intelligence tells us that after a war that has lasted longer than either of the two world wars, we are now in a position where the Taliban and the warlords control far more territory than the elected Government. More of our brave British soldiers have died in Afghanistan than were killed in the charge of the Light Brigade. Is it not true that the only way to consolidate the gains made would be to admit that a military victory is unattainable, and seek a negotiated peace settlement?

Mr. Ainsworth: My hon. Friend and I have talked about this subject before, and I know how upset he gets at my views. Reconciliation is an important part of what is needed in Afghanistan, but we can only reconcile the reconcilable. Nobody has ever suggested that it is a purely military matter, or that there is no political part to be played in any settlement in Afghanistan, and it is plainly wrong for my hon. Friend to suggest that we think that there is.

Bob Russell (Colchester) (LD): I thank the Minister for his response, and I disassociate myself from the remarks of the hon. Member for Newport, West (Paul Flynn). Does the Minister agree that the reconstruction work that Her Majesty's armed forces are carrying out, particularly in Helmand province, means that for the first time in 30 years, the people of that province at least have the chance of a future in a democratic society?

Mr. Ainsworth: The hon. Gentleman is absolutely right. In February, I saw at first hand some of the work that our troops were doing in Musa Qala, and some of the thinking going into their operational planning. It was not about killing the Taliban, but about rebuilding the town and building schools—only seven weeks after the town had been taken. That is what is in the minds of our forces. At every level, they know that it is a matter of winning over the people and making progress in Afghanistan. It is not purely a matter of the military effect, although in dangerous environments that effect is absolutely vital.

Andrew Mackinlay (Thurrock) (Lab): I would never make such a base suggestion as that Ministers are evasive—but bewildered, they are. When I tabled a parliamentary question asking how many of the 13 districts of Helmand are controlled by NATO and the Afghan Government, the Minister's reply referred to the "presence" of British troops. There is a world of difference between presence and having control. Which districts of Helmand are controlled by the Afghan Government and British or NATO forces, which are held and controlled by the Taliban, and which are indeterminate?

Mr. Ainsworth: I must say to my hon. Friend that we are running a counter-insurgency operation in Afghanistan, not a straightforward war in the traditional sense. It is about winning the hearts and minds of the people, and controlling territory is only part of that. We have a significant presence the length and breadth of Helmand province. That is not to say that the Taliban are incapable of operating in those areas: they are an insurgent force, and there are no straightforward front lines.

Mr. Julian Brazier (Canterbury) (Con): Does the Minister of State accept that the welcome news that he announced on better armoured vehicles for protecting conventional forces are no substitute for ensuring that all our special forces have proper cross-country vehicles? Will he take the opportunity to offer the Under-Secretary of State for Defence, the hon. Member for Grantham and Stamford (Mr. Davies) the chance to apologise at the Dispatch Box to Major Morley for his remarks at the weekend?

Mr. Ainsworth: What we must try to do—my hon. Friend the Under-Secretary was trying to say this, as I think the hon. Gentleman knows—is to provide a full suite of vehicles for our commanders in Afghanistan so that they can use the most appropriate vehicle at the most appropriate time for the job in hand. My hon. Friend was trying to explain that, and we will do that—more so with the new vehicles that we plan to provide for Afghanistan.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Minister referred to winning the hearts and minds of the people of Afghanistan. Afghanistan is more than Helmand province, and there has been increased control by the Taliban in the past six months. Will my right hon. Friend therefore work a bit more closely with troops from the Gulf states, because it seems clear that working with only the US and NATO is not sufficient to win the hearts of the people of Afghanistan?

Mr. Ainsworth: There are contributions from non-NATO members—my hon. Friend may know that the United Arab Emirates provides some support for our forces in Afghanistan. Of course, we welcome any assistance that people are prepared to provide. I do not accept my hon. Friend's assertion that the Taliban are developing increased control over Afghanistan as a whole.

Ann Winterton (Congleton) (Con): How secure does the Minister believe that the area around the Kajaki dam is, and will be when the third turbine produces electricity? It is one thing to produce electricity and another to ensure its safe transmission over 150 miles through rough terrain, where it would be open to attack from terrorists and terrorist organisations. Are we making progress on that?

Mr. Ainsworth: I think that the hon. Lady would agree that the operation to get the new turbine up to Kajaki was a fantastic achievement by our troops, but the Taliban know how important it is to stifle development and prevent us from being able to provide the improvements that ordinary Afghans want. It is therefore vital that, having got the new turbines to Kajaki, we protect the capability and the ability to supply electricity to Helmand that the new turbines will give us in generation capacity.

Rehabilitation

6. **Mr. David Kidney** (Stafford) (Lab): What rehabilitation services his Department provides for service personnel. [23265]

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): Service personnel requiring rehabilitation may be referred either to the defence medical rehabilitation centre at Headley Court, or, for personnel with less serious musculo-skeletal injuries, to one of 15 regional rehabilitation units in the UK and Germany.

Mr. Kidney: We in Staffordshire are very pleased to be hosting the new headquarters for the entire defence medical training service. As more than 1,000 doctors, nurses and other staff make their homes in Staffordshire, can we start as we mean to go on and train them all in looking after and rehabilitating our injured service personnel holistically, whether through medical services, therapies or reablement?

Mr. Jones: I thank my hon. Friend for his question and thank his constituents who will be involved in supporting our injured servicemen and women. The Government are investing in the scheme, and we must ensure that people are looked after both when they are in service and once they leave.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): On the broad issue of rehabilitation, the Minister will know that I have been raising the question of ex-service personnel currently behind bars, who constitute 10 per cent. of the entire prison population, or more than 8,500 people. Having raised the issue with the Prime Minister a fortnight ago and in debate a week before that, may I ask the Minister what progress is being made on precisely quantifying the problem, so that we can look into precisely the answers that we require?

Mr. Jones: I thank the hon. Gentleman for his interest in the subject. The figure of 10 per cent. is not correct, but the Department is conducting a study with the Ministry of Justice to quantify it. I know that he takes a keen interest in the subject and cares about it deeply, so if he would like to contact my office for a meeting, I should be more than willing to talk to him about it.

Mr. Brian Jenkins (Tamworth) (Lab): Will my hon. Friend give me an assurance that he is satisfied that when injured personnel leave such establishments as Headley Court and return home, their homes have been adapted, so that they fit easily and readily back into their home environment, and that we are prepared to step in where necessary and do the job before they return home, so that it is not left to the local authority?

Mr. Jones: The Secretary of State and I have visited Headley Court in the past few weeks, where there are first-rate teams of welfare officers, whose job it is to ensure that that transition is as smooth as possible. My hon. Friend will also be aware of the Command Paper published earlier this year, which raised the issue of adaptation and ensuring that servicemen and women who require adaptations at home following injuries are made a priority.

Dr. Andrew Murrison (Westbury) (Con): Units returning from theatre report that up to one third of their manpower have defects in hearing acuity or tinnitus, much of which is severely disabling, leading to personal hardship, significant force attrition and compensation claims running into millions. British troops have to put up with poorer hearing protection and rehabilitation than the Americans, whose Government have been far more proactive in that regard. Is there any risk of the Minister taking the issue seriously?

Mr. Jones: I will ignore the churlish comments at the end of the hon. Gentleman's question. I had a meeting last week with the Surgeon General and General Baxter, the head of Defence Medical Services, about that exact subject. Since 2007, additional double-ended plug devices have been given to all those in operations in Iraq and Afghanistan. The Surgeon General has been proactive in setting up a group in the Ministry of Defence to look specifically into hearing loss. If the hon. Gentleman had done a bit of research, he might also have been aware of Project PECOC, which will introduce new devices from as early as April next year that not only stop hearing damage, but allow individuals to hear commands.

Russia

7. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): What assessment he has made of the military implications for NATO of recent developments in Russian security policy. [23265]

The Secretary of State for Defence (Mr. John Hutton): NATO Defence Ministers have met twice since the conflict between Russia and Georgia to consider the evolving security challenges facing the alliance. NATO will continue to provide collective defence for the territory of its allies. The flexible military capabilities and structure that NATO is pursuing are the right ones to enable it to respond to any security threats, wherever they arise.

Mr. Vara: How does the Secretary of State rank Russia in terms of the threat that it poses to British national security?

Mr. Hutton: The Russian action in Georgia was totally unacceptable and disproportionate, so there cannot be any question of relations as normal as long as the Russians fail to implement the understandings reached in August and September, which they have not yet done. NATO continues to conduct effective and proper contingency planning to deal with a range of different security scenarios, but we have also made it very clear that Ukraine and Georgia will become members of NATO. NATO presents no security threat to the Russian Federation; it is a purely defensive alliance. Who is, and who is not, a member of NATO is a matter for NATO members and no one else.

Mr. Gerald Howarth (Aldershot) (Con): In view of Russia's massive rearmament programme and its naked invasion of Georgia, will the Secretary of State assure the House that Britain retains the ability to conduct key tasks such as anti-submarine warfare and Arctic warfare, and that other NATO members are also being pressed to maintain these skills? Will he also assure us that those skills have not been neglected in favour of meeting the immediate requirements of Afghanistan and Iraq?

Mr. Hutton: I can absolutely give the hon. Gentleman, and the House, the assurance that he is seeking.

Royal Air Force

8. **Andrew Rosindell** (Romford) (Con): If he will make a statement on the future strike capability of the Royal Air Force. [232054]

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): The Government's plans to equip the RAF with Typhoon and joint combat aircraft will give it the most powerful strike capability in its history.

Andrew Rosindell: Will the Minister assure the House that the Government are committed to, and will order, the joint strike fighter?

Mr. Davies: As the hon. Member knows, the joint strike fighter is in its development phase, and we will need to take the decision next year about purchasing the first two development aircraft. We have to take this stage by stage, and I shall be going to America to talk to the major manufacturer fairly shortly. This programme is essential to our plans, and we remain absolutely committed to it.

Adam Afriyie (Windsor) (Con): On the subject of procurement, the Government promised in the last strategic defence review to purchase 10 Astute class submarines. By 2004, they had reduced the number to eight, and I do not know what the figure is today. What has changed—

Mr. Speaker: Order. The hon. Gentleman is asking about the Navy. As a former Territorial in the Army, I know that there is a difference between the RAF and the Navy. I call Mr. David Taylor.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will my hon. Friend the Minister comment on the training implications of the future strike capability of the RAF? In particular, does he think that the Metrix consortium's contracts to train military personnel over the next 30 years, which have increased in cost by £1 billion, are adequate for the purpose? There seems to be a cabal of private companies locking the taxpayer and the military into a private finance initiative scheme that is costing much more money over the years for a far inferior service to the RAF and other forces.

Mr. Davies: I can assure my hon. Friend that the RAF is clear that the arrangements that we are making for training are indeed adequate for the purpose, to use his phrase.

Strategic Defence Review

9. **Mr. Adam Holloway** (Gravesham) (Con): Whether he plans to conduct a strategic defence review. [232055]

The Minister for the Armed Forces (Mr. Bob Ainsworth): There are currently no plans for a new defence review. Defence policy and commitments are kept under continuous review.

Mr. Holloway: Does the Minister accept that there have been significant changes to the threats facing this country since 1998 and 2002? What are the threats, and what is he doing about meeting them?

Mr. Ainsworth: The strategic defence review—the new chapter—and the national security strategy revalidated the assessment of the challenges that we face, and said that the UK needed to maintain expeditionary, balanced and flexible armed forces. We continue to work against that baseline; nothing has changed fundamentally with regard to the threat or to the structure of the forces needed to meet it.

Dr. Julian Lewis (New Forest, East) (Con): What has changed, particularly since the strategic defence review in 1998, is that there has been a massive increase in operational commitments in Iraq and Afghanistan. Given that fact, we are still spending the same percentage of gross domestic product now as we were 10 years ago, even if we include the Treasury reserve commitment to the campaigns. Is it not unavoidable for any Government to have to assess whether to spend more to meet the extra commitments, whether to reduce the commitments, or whether to do something in between? Any Government would need a strategic defence review. Why are this Government not going to hold one?

Mr. Ainsworth: The hon. Gentleman and his hon. Friends—and, indeed, Liberal Democrat Members—are very quick to say that they want a strategic defence review. What they will not say—and repeatedly will not say—is whether they will spend more, less or the same on defence. In my opinion, Conservative Members' call for a strategic defence review is a meaningless alternative for a policy. They need to tell us and to be straight with us about whether they would spend more on defence. Their leader has said that he will not, and he will not even commit to our current levels of spending.

Defence Training Review Programme

10. **Mark Pritchard** (The Wrekin) (Con): How much his Department has spent on the defence training review programme to date; and if he will make a statement. [232056]

The Minister for the Armed Forces (Mr. Bob Ainsworth): Expenditure to date on the defence training review programme is £34.6 million. That includes the expenditure costs of both package 1 and package 2 of the training review programme.

Mark Pritchard: The Minister will know that the defence training review is the largest private finance initiative in British history. It was originally estimated that the cost would be £11 billion, but in the last six months it has risen to £12 billion. Will the Minister confirm whether this programme will go ahead and whether Treasury Ministers have been consulted about the escalating costs?

Mr. Ainsworth: The hon. Gentleman is right that the financial situation has led to cost growth in the programme, but we have worked with Metrix to see how to minimise the costs. I know that this will disappoint the hon. Gentleman greatly because of his constituency interest, but I have to say that the programme is still affordable and remains more affordable than the in-house alternative, so our plans are to go ahead with the programme on the basis of package 1.

Topical Questions

T1. [232072] **Mr. David Kidney** (Stafford) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Mr. John Hutton): My responsibilities as Secretary of State are to make and execute defence policy, to provide our armed forces with the capabilities they need to achieve success in current and future operations and, finally, to ensure that the service of all those who wear or have worn the Queen's uniform is properly honoured and recognised.

Mr. Kidney: Last week's announcement of £700 million of spending on vehicles and other forms of protection for our troops in Afghanistan was very welcome. On previous occasions when hon. Members, including me, have asked about the use of Snatch Land Rovers in Afghanistan, we have been told of previous procurements of alternative vehicles. Will my right hon. Friend confirm that last week's announcement is additional and represents procurement over and above what we have been told about in the past?

Mr. Hutton: Yes, I can give my hon. Friend that assurance. I can also tell him that as and when the security threat changes in Afghanistan or Iraq, we will not hesitate to meet the requests put to us by our operational commanders for any change or upgrading of the equipment available for them. Our first and principal responsibility is for the health, safety and well-being of our troops in the front line. Nothing that we do will ever get in the way of, or compromise, that fundamental objective.

T2. [232073] **Malcolm Bruce** (Gordon) (LD): Does the Secretary of State understand my concern, as chairman of the all-party group on deafness and a trustee of the Royal National Institute for Deaf People, about the increasing numbers of our servicemen coming back from active service with serious hearing impairment and damage? Will he accept the invitation of the RNID to work together to prevent this damage through better protection methods and to ensure that those who suffer damage have adequate support and compensation? Will he ensure that Ministers and his officials do not implausibly attribute the deafness to causes unrelated to active service when, in so many cases, it clearly is caused by that service?

Mr. Hutton: The Under-Secretary, my hon. Friend the Member for North Durham (Mr. Jones), gave a full and comprehensive answer to an earlier question. We take this issue very seriously indeed, and we stand ready to work with the Royal National Institute for Deaf People, the service charities and others to see whether there are ways of continuing to improve the protection we give our forces in Afghanistan and Iraq. We have made significant upgrades in the available equipment, but we stand ready at all times and in all places to work with those who share our concern to provide the maximum possible protection for our forces. We will always do that.

Jeremy Corbyn (Islington, North) (Lab): Will the Secretary of State give us a clear assurance that the phenomenal amounts of money being spent on AWE Aldermaston are not being used for the development of a new generation of nuclear weapons that has not yet been debated or decided in the House?

Mr. Hutton: No, there is no question of that. Decisions will be made in the House at the right time about all those matters. It is, however, vital for the long-term strategic security of the United Kingdom that we maintain our minimum nuclear deterrent. We are absolutely committed to doing so, and that will not change.

T3. [232074] **Simon Hughes** (North Southwark and Bermondsey) (LD): Let me ask what is by no means a hostile question and declare a partial interest, in that a close family member is involved. A significant number of people have been discharged from our armed forces because of mental illness over the past seven years. What are Ministers doing to ensure that that number is addressed and reduced?

Mr. Hutton: My hon. Friend the Member for North Durham, the Under-Secretary, has principal responsibility for that issue. Perhaps he and the hon. Gentleman could meet to discuss it.

We invest significant resources in ensuring the well-being of members of the armed forces who have to be medically discharged after active service. It is a responsibility that we regard as important and continuing: it does not end simply because those men and women have left the service of Queen and country. We will continue to ensure that mental health services are as good as they can be. I am sure that my hon. Friend the Under-Secretary will correct me if I am wrong, but I believe that we will be making an announcement in the very near future about how those services can be improved.

T4. [232075] **Mr. Desmond Swayne** (New Forest, West) (Con): At a recent open day at Lympstone, the parents of young men who are shortly to emerge as fully fledged Royal Marines were advised by a senior officer to purchase a piece of equipment—body armour—of a better, more suitable specification than what is currently issued. If senior officers consider equipment important enough for parents to buy it for their sons, should not quartermasters be in a position to issue it?

In answering that question, will the Secretary of State ensure that no aspersions are cast on the senior officer involved?

Mr. Hutton: No, I will not cast any aspersions on the senior officer, but I hope that the hon. Gentleman will give me more information about the circumstances that he has described.

We have invested significant resources in improving the body armour available to our forces in both Iraq and Afghanistan, and I think that the Osprey body kit is pretty good stuff. It is heavy, which of course carries a risk for those who have to wear it, but I do not consider that risk to be any greater than the risk of being shot at.

If the hon. Gentleman has any specific concerns I shall be happy to explore them with him in more detail, but I am not aware of any advice that has come to Ministers suggesting that the Osprey is anything other than totally fit for purpose

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): I recently had the good fortune to speak to some defence workers at Rosyth naval base in Fife. They spoke very warmly of their former colleague and Member of Parliament, John MacDougall. However, they are genuinely concerned about their long-term security of employment. Can my right hon. Friend assure them and the House that it will be safeguarded?

Mr. Hutton: I can give my hon. Friend that assurance. All of us who knew and worked with John MacDougall know what a fine Member of Parliament he was, and what a great friend he was of Scotland and jobs at Rosyth. My personal view, for what it is worth, is that defence jobs in Scotland would be directly at risk if the Scottish National party were ever to form an Administration with responsibility for those matters. We must not let that happen, and the best way in which we can avoid it is by voting Labour on Thursday.

Nick Harvey (North Devon) (LD): Will the Ministry of Defence follow the example of the United States armed forces, who now make laser surgery available free of charge to correct the sight defects of all troops going out to the front line? Does he accept not only that wearing spectacles is clearly far from ideal in combat conditions, but that contact lenses can be very uncomfortable in the heat and, particularly, dust of Iraq and Afghanistan, which often gives rise to time off because of eye inflammations and infections? Is he aware that the Metropolitan police are now providing such surgery for key personnel, including bomb disposal experts, who understandably find it quite useful to be able to see properly? Will he establish a central budget in the Ministry, so that this simple and effective surgery can be provided for all our armed services before they go out to the front line?

Mr. Hutton: I cannot give the hon. Gentleman a commitment from the Dispatch Box to do that today, but I can give him a commitment that I will look into this issue. In all such areas, however, we take advice from the Surgeon General and the appropriate authorities within the armed forces, and that is the basis on which we make decisions.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): A part of the protected mobility package in which my right hon. Friend announced investment last week is the Jackal vehicle, 200 of which have already been contracted for, and which are made in Devonport dockyard. Will my right hon. Friend explain the capability that the Jackal adds to those available to commanders in the field, in terms of the choices that they can make?

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): I pay tribute, via my hon. Friend, to the good work done at Devonport. We are delighted that we will be taking delivery of these new vehicles. The great point about the Jackal is that it is both fast and very mobile and also very heavily armoured, so in some respects it offers the best of all possible worlds. With the announcement made last week that we will provide a further 700 protected and armoured vehicles for Afghanistan, added to the Mastiffs and the other new armoured vehicles that are already in theatre, there will be 1,200 armoured and protected vehicles in theatre, where 8,000 troops are currently deployed.

T5. [232076] **Mr. Andrew Robathan** (Blaby) (Con): In June, three members of my former regiment were killed in a Snatch Land Rover in Afghanistan. Their squadron commander has now resigned, citing their deaths as one reason for his resignation, but he finds himself blamed for them by a Minister of the Crown. Apart from the very real pain that any commander feels at the death of one of his troops, no special forces would ever choose a Land Rover without proper cross-country capability for operations. These were, however, the only vehicles available. Will the Secretary of State disassociate himself from the remarks of his—very junior—Minister, and apologise not only to Major Morley, but to the families of the dead? The father of one said today—

Mr. Speaker: Order. I think the hon. Gentleman has made his point.

Mr. Quentin Davies: The hon. Gentleman obviously does not know that this morning outside the House I expressed my regrets to the father of one of our gallant soldiers who has died, and who apparently said via the media—he did not say this directly to me—that he had been upset by my remarks. I apologised unreservedly to him and expressed my deep regrets. Obviously, any offence caused was entirely inadvertent; I hope the hon. Gentleman recognises that. If I were to have some reason to suppose that operational commanders have been offended by any remarks I have made, I would also apologise very clearly and directly to them. I take it the hon. Gentleman did not hear the broadcast in question, but if he were to do me the courtesy of reading the full transcript—

Mr. Robathan: I have.

Mr. Davies: Well, in that case the hon. Gentleman will have seen that a lot of my argument was designed to explain that it was quite wrong and totally impossible to blame retrospectively, with hindsight, commanding officers for decisions that had been taken and where eventually there had been fatalities, as, unfortunately, happens in warfare. He will have seen from that transcript that some—deservedly—laudatory remarks were made about the quality of our commanding officers and, of course, of our troops as a whole.

T6. [232077] **Michael Fabricant** (Lichfield) (Con): You, Mr. Speaker, will know that there is a protocol that Ministers never blame civil servants, and there is a similar protocol that Ministry of Defence Ministers never blame commanders in the field. Whatever the weasel words we have just heard, will the Secretary of State—

Mr. Speaker: Order. Temperate language is so important these days, and the hon. Gentleman has been in the House long enough to know that that was out of order.

T8. [232079] **Paul Rowen** (Rochdale) (LD): What assessment has the Secretary of State made of the likelihood of British troops being sent to the Congo as part of the European rapid response force, and what are the implications of that for force overstretch?

Mr. Hutton: I can tell the hon. Gentleman that we have received no such request to deploy any UK forces to the Congo, but there are two points that I would want to make to him. First, the situation there requires a reopening of political dialogue between the combatant parties; it is important that that is done quickly, and my right hon. Friend the Foreign Secretary has been in the region to try to encourage that. Secondly, there are 18,000 UN forces on the ground in the Congo now, and they can make a difference much more quickly than any deployed force from Europe or anywhere else could, so the priority should be to make sure that UN forces are deployed in such a way as both to protect the civilian population and to advance the humanitarian cause, as is so desperately needed there.

David Taylor (North-West Leicestershire) (Lab/Co-op): May I return to the Metrix training contract, in the light of the unsatisfactory answer given by the Under-Secretary of State for Defence, my hon. Friend the Member for Grantham and Stamford (Mr. Davies)—our new hon. Friend—and, indeed, the answer given to the hon. Member for The Wrekin (Mark Pritchard)? The contract costs are more than £1 million a day and are soaring into the stratosphere. Will the Minister say whether or not the following quote was well sourced? The defence training review executive board investigated "major affordability issues" that could not be disclosed to the project board as they were "too sensitive". What is going wrong with the contract?

The Minister for the Armed Forces (Mr. Bob Ainsworth): The costs to which my hon. Friend refers cover the provision of the defence training package over a 30-year programme, so he should not be surprised if some of the figures are high. I am sorry that he found what I said to the hon. Member for The Wrekin (Mark Pritchard) unsatisfactory, but we have re-examined affordability and remain convinced that the package is the best option going forward and that it is better than the in-house alternative in providing the quality of training that we need at a reasonable price—a good price for the taxpayer.

T9. [232080] **Mr. Mark Francois** (Rayleigh) (Con): As the ministerial head of the armed forces, the Secretary of State will appreciate the importance of loyalty, as will all his fellow Ministers. On that basis, will he advise those Ministers to use temperate language when referring to our commanders in the field and the great things that they, and those who fight for them and for this country, do?

Mr. Hutton: All Defence Ministers will use temperate language to describe all these matters. *[Interruption.]* The Under-Secretary, my hon. Friend the Member for Grantham and Stamford (Mr. Davies), has dealt with this matter very clearly. In this place, it is right and proper that we all give praise where praise is due, and nowhere is that more appropriate, right now, than in relation to Iraq and Afghanistan. That is the collective view of Ministers, and I strongly sense that it is the collective view of the House.

Points of Order

3.32 pm

Jeremy Corbyn (Islington, North) (Lab): On a point of order, Mr. Speaker. You will be aware that during last Thursday's business questions a number of hon. Members, myself included, raised the issue of the horror that is going on in the eastern part of the Democratic Republic of the Congo. I understand that the Foreign Secretary is returning from his welcome visit there. Is there anything that we can do to ensure that he makes a statement, if possible, tomorrow, on whatever support can be given to meet the humanitarian needs of the people of the eastern DRC during this crisis?

Mr. Speaker: I say to the hon. Gentleman that that is not a matter for the Chair. It is up to Ministers to decide whether or not they make a statement, but I am sure that his concerns are on the record.

Paul Flynn (Newport, West) (Lab): On a point of order, Mr. Speaker. May I ask you, as the defender of the rights of Back Benchers, to examine answers to parliamentary questions? We are well used to the fact that in answers to written questions we do not always receive 100 per cent. of the information requested. The attraction of oral questions, and their great advantage, is that we can be critical of the answers that we receive, particularly when they contain certain omissions. May I therefore ask you to examine the replies given to the questions put by my hon. Friend the Member for Thurrock (Andrew Mackinlay) and me this afternoon? We sought factual advice on a matter of the gravest importance, but the responses that came from the Front Bench team did not answer our questions. I do not know what description one could apply to those answers, except to say that they were evasive. I had to withdraw my remark, but are we to believe that the word "evasive" is now unparliamentary language?

Mr. Speaker: Unparliamentary language is a bit strong; I am saying that the hon. Gentleman should not direct that term at Ministers, as he knows. What was the term that the hon. Member for Thurrock (Andrew Mackinlay) used? Did he say "confused"?

Andrew Mackinlay (Thurrock) (Lab): Bewildered—seriously bewildered.

Mr. Speaker: If the hon. Gentleman said that the Minister was bewildered, I would go for that one. For me to examine Ministers' answers, be they written or oral, would be to add too much to the job description of the Speaker. As a trade unionist, hon. Members would not want me to get any more work than I am doing at the moment, but that is what the hon. Member for Newport, West (Paul Flynn) is telling me to do.

Keith Vaz (Leicester, East) (Lab): On a point of order, Mr. Speaker, I and several other Members received letters inviting us to join the cross-party group on balanced migration, but when I applied, I was told by the secretary that I was not allowed to join and that only Back-Bench Members, not including Select Committee Chairmen, could be members of all-party groups. Is that the case? My understanding is that as long as a Member is not a Government member, including a Whip, they cannot be restricted from joining all-party groups.

Mr. Speaker: It is up to the groups to sort out such matters and to decide whether they wish the right hon. Gentleman to be a member, so I shall not interfere in the matter. Rules have been laid down on the number of Members in an all-party group and on whether there should be a balance of officers, which clearly there should.

Orders of the Day

Dormant Bank and Building Society Accounts Bill *[Lords]*

As amended in the Public Bill Committee, considered.

New Clause 3

REVIEW AND REPORT TO PARLIAMENT

'(1) The Treasury shall carry out a review of—

(a) the operation of this Part, and

(b) the effectiveness of the efforts made by financial institutions to secure that those entitled to money in inactive accounts are made aware of the fact.

(2) In reviewing the operation of this Part the Treasury shall in particular consider—

(a) how many banks and building societies have transferred balances as mentioned in section 1(1) or 2(1);

(b) how much money has been transferred and how promptly;

(c) how effective have been the arrangements for meeting claims made by virtue of section 1(2)(b) or 2(2)(b).

But the review shall not consider the activities of a reclaim fund in so far as they are regulated activities for the purposes of the Financial Services and Markets Act 2000 (c. 8).

(3) The Treasury shall make arrangements to enable anyone with an interest in any aspect of the review to make representations, and shall consider all representations received.

(4) The Treasury shall set out the results and conclusions of the review in a report and lay it before Parliament.

(5) The report must be laid within three years from the date when a reclaim fund is first authorised.'.—*[Ian Pearson.]*

Brought up, and read the First time.

3.36 pm

The Economic Secretary to the Treasury (Ian Pearson): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss new clause 2—*Report to Parliament*—

'(1) The Treasury shall keep the operation of the dormant accounts arrangements under review.

(2) From time to time the Treasury shall prepare reports to each House of Parliament on the operation of the dormant accounts arrangements.

(3) Within three years of the commencement of this Act, the Treasury shall prepare its first report.

(4) Each report shall include—

(a) a review of the operation, effectiveness and scope of the dormant accounts arrangements; and

(b) any other matters that the Treasury considers to be relevant to the operation of dormant account arrangements.

(5) If the report shows that any of the matters covered by the report are unsatisfactory in any respect, the Treasury shall state—

(a) the improvements that are to be made to the arrangements;

(b) whether such improvements require legislation or could operate on a voluntary basis;

(c) the timescales involved in achieving those improvements; and

(d) the actions that the Treasury propose to take.

(6) In preparing each report, the Treasury shall consult—

(a) those persons who it considers to have relevant knowledge of the operation of the dormant account arrangements; and

(b) such persons as it considers appropriate.

(7) Each report shall be published in such manner as the Treasury shall determine, and shall be laid before each House of Parliament.

(8) The Treasury may make an order removing the obligation to prepare reports in subsection (2) above.

(9) An order made under subsection (8) above may not be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.'.

Ian Pearson: When we discussed the matter before us in Committee, a strong view was expressed that the Government ought to return to it at an appropriate time, having reviewed the progress of the Bill and the operation of the reclaim fund. That feeling arose largely after the Government overturned amendments made to the Bill in the other place that introduced triennial reviews in perpetuity. The Committee felt that such a review regime was excessive. However, the general feeling was that there should be a review and that a relevant clause should be inserted into the Bill. At the time, I expressed my view that the Government would naturally want to have a review, but I did not think it appropriate to put it in the Bill. However, having listened carefully to the Committee debate, I undertook to reconsider the matter and to introduce a new clause committing us to a review.

Government new clause 3 will commit us to a comprehensive review set out in legislation and accountable to Parliament, so I hope that it will be recognised that we have listened. We had a very constructive debate in Committee. The new clause is clear and detailed, and commits us to a review of the scheme within three years after it is up and running. The review will cover the effectiveness of the scheme, including industry arrangements for reuniting customers with accounts before they become dormant, industry participation in the scheme and the arrangements for repaying customers whose assets have been transferred to the scheme. The review will be based on consultation with all the relevant parties, and we undertake to present our findings and conclusions in a report to be laid before Parliament.

Tom Levitt (High Peak) (Lab): I am very relieved to hear my hon. Friend say that the review will take place within three years of the scheme being up and running. New clause 3(5) states that the review will take place

"within three years from the date when a reclaim fund is first authorised".

Does that mean from when the fund starts work, or from when the Bill is passed? What is meant by up and running?

Ian Pearson: We mean when the reclaim scheme itself is up and running. I think that it is right that there will be a period of time between the passing of the Bill and the setting up of the reclaim fund. It seemed to us—we explored this in Committee—that three years was about the right length of time. In actual fact, it will be slightly less than that, because we would have to report in that period.

Let me turn to the scope of the review. As I have said, it will consider the effectiveness of the legislation. That was a point that my hon. Friend the Member for High Peak (Tom Levitt) and other Labour Members raised. It will not attempt to review areas outside the legislation, such as the Financial Services Authority's prudential regulation of the reclaims fund's management of money. It is right that FSA regulation is a matter for the FSA. We expect the regulator to make its own assessment of the effectiveness of its regime, too.

New clause 2 does the same thing, in essence, as new clause 3. We naturally prefer our clause and think that new clause 2 is unnecessary as a result. The Government have listened and we have acted as a result of the representations that were made in Committee, and that is why we commend the new clause to the House.

Mr. Nick Hurd (Ruislip-Northwood) (Con) *rose—*

Ian Pearson: Before I sit down, I shall give way to the hon. Gentleman. He was not on the Committee, but I am sure that he takes an active interest in these matters.

Mr. Hurd: I thank the Minister both for giving way and for indulging me, as someone who was not on the Committee but who takes an interest in these matters. I welcome the indications that the Government have opened their mind to the idea of a review. The Minister will be well aware of concerns inside the third sector about the response of banks to this opportunity as a result of economic circumstances. He said that new clause 2 was very similar to new clause 3, but does he not see differences in the scope for more regular reports and in the pressure that the Opposition new clause would place on the Treasury to do more than just report what is happening and to come to the House to suggest improvements?

Ian Pearson: There are some differences between new clause 3 and new clause 2. I thought it right to let the hon. Member for Fareham (Mr. Hoban) explain why he prefers his clause when he has his go. The Government will want to publish the findings of any review that we undertake and we will want to take forward any recommendations that come from it. Although some of the detailed wording is not in new clause 3, its spirit and intention would be the same, I think, as that of new clause 2, which I shall let the hon. Member for Fareham introduce.

Tom Levitt: My hon. Friend said that the review would be comprehensive, and he has also said that its recommendations could be acted on. In the knowledge that we will be left with a voluntary scheme, because the Government have committed to such a scheme, will comments about whether the voluntary scheme is working be allowed in extremis as a conclusion of the review? If the review recommended that we should move from a voluntary to a compulsory scheme, would that be one of the recommendations that would then be implemented?

Ian Pearson: I understand where my hon. Friend is coming from. As I said in my opening remarks, the review will cover industry participation in the scheme. If, for some reason, there was little industry participation in the scheme, I would expect the review to conclude that the voluntary scheme was not working. However, as I explained in Committee, I have no reason to believe that there will not be extensive voluntary participation in the scheme. The British Bankers Association and the Building Societies Association have both confirmed that their members wish to participate in the scheme. My hon. Friend will find that more than 90 per cent. of retail deposits are potentially committed to participation already. Obviously, we would hope that more banks and building societies with retail deposits would make such a commitment as the Bill is passed and as the reclaim funds are set up. I do not think that the problem that he mentioned will materialise. It would certainly be within the scope of the review to consider industry participation in the scheme.

Mr. Mark Hoban (Fareham) (Con): I am grateful to the Minister for tabling new clause 3, which reflects the commitment that he gave in Committee to return to the issue. A feature of the debates in the House and the other place has been that a review process is needed. In Committee, the Government sought to remove the new clause that was inserted into the Bill on Report in the other place. As a consequence of that decision in Committee, we are considering Government new clause 3 and new clause 2, which I tabled.

3.45 pm

It is worth bearing in mind that one reason why we feel that a review is needed is that the scheme is unusual in that the banks and building societies will join it voluntarily, but a statutory legal framework is required to enable balances to be transferred from the banks to the reclaim fund. Clearly, once expenses have been set aside, the amounts transferred to the reclaim fund will be transferred in England to the Big Lottery Fund to be used for the purposes set out in the Bill, and we will discuss those purposes later.

Given the hybrid nature of the scheme, it is important that a review mechanism is in place. One of the things that characterised the debate in the other place was the need to remove uncertainty about how the scheme will operate day to day, and there is still some uncertainty about how the reclaim fund will function. On that basis, the Lords determined that there should be a triennial review—that was provided for in the new clause introduced in the other place—but I accept the concerns that the Chief Secretary to the Treasury expressed on Second Reading that to commit the Government to a triennial review in perpetuity was perhaps not the right way to go.

Having reflected on that and the deletions that the Government made in Committee, I came up with new clause 2, which would provide the option to hold more than one review. One of the big differences between the Government's new clause and ours is the option to hold further reviews. The requirement for a review could be terminated if both Houses approved a draft statutory instrument. Once the scheme is up and running and we have been through one review, it might well take another review before we are certain that the scheme is operating properly. That is why the Government are wrong in new clause 3 to create the scope for just one review, whereas we want reviews to be carried out more frequently but not necessarily until the end of time, as under the original new clause.

Our new clause also differs from the Government's new clause in its provisions for the scope of the review. We would have a broader set of arrangements under

new clause 2. The hon. Member for High Peak (Tom Levitt) talked about the voluntary nature of the scheme. Of course, new clause 3 does not explicitly address that issue, whereas new clause 2 does. We will talk about the voluntary nature of the scheme when we consider new clause 1, which was tabled by the hon. Member for Taunton (Mr. Browne), but the scope of my new clause would enable the essential issue of the scheme's voluntary nature to be considered properly.

People expect the scheme to work, but there are concerns, which we will come to in more detail in considering new clause 1, that the scheme might not work on a voluntary basis, and we want to ensure that that is explicitly addressed in any review. The review provides a mechanism to enable us to signal to the voluntary sector, which is most concerned about the voluntary nature of the scheme, that we take on board its concerns and want to make sure that they are addressed in any subsequent reviews.

Subsection (4)(b) of new clause 2 would give the Treasury flexibility on what issues it considers. Matters other than

"the operation, effectiveness and scope of the dormant accounts arrangements"

could then be considered. For example, one might want to look into the expenses incurred by the reclaim fund, or the range of assets covered by the Bill, which simply covers bank accounts. Subsection (4)(b) could enable the Treasury to broaden the scope of the assets covered, and to consider national savings and investments and other unclaimed assets—perhaps shares, life assurance policies and pensions policies. That was discussed at some length in the other place, but not in Committee. It is an area of activity that we want to keep under review.

One of the reasons why we need a review is to ensure that there is a spotlight on the operation of the scheme. We are talking about the way in which banks unite dormant accounts with their customers, the processes that they use to do so, and the thoroughness with which they try to identify the customers concerned, to make sure that they do not lose out as a consequence of the scheme. In Committee, we discussed concerns about how well that would work in practice. A review will require the banks and building societies to continue to work hard on that. It will ensure that there is a mechanism for identifying flaws in the system, and will make sure that we have feedback from consumers on how well the scheme works. It will enable us to understand what the administrative burdens on the banks are, and how easy it is for charities to be able to identify dormant accounts to which they might be entitled.

One of the concerns of charities, which are often the residuary legatees of an estate, is how they could find out whether they had got all the money to which they were entitled. There is a dispute between the charities and the banking sector about how that would work in practice. Again, a review would enable the issue to be considered, so that we could see how things work in practice. I know from talking to both the Unclaimed Assets Charity Coalition and the British Bankers Association that they have a commitment to working closely together on that, but the fact that there is a review means that they have to work very closely together and reach a pragmatic solution to the problems without, I hope, our having to resort to a compulsory scheme.

The strength of new clause 2 is that it would enable us to hold more than one review. That reflects the fact that we may not get the scheme right straight away. We may need to consider how the scheme operates in its first three years, and we may then say that we need to come back for a second review. However, that second review might be the last review that is needed, if people are happy that the review has been properly carried out. That capacity to hold a review beyond the initial period is one of the key distinctions between new clauses 2 and 3. New clause 3 does not go far enough. It does not provide the comfort that I am looking for on the issue of the scheme being kept under regular and frequent review.

I am being optimistic, of course, but I would much rather that the Government withdrew new clause 3. New clause 2 provides a far more effective sanction and check, and offers far more effective scrutiny of the operation of the reclaim fund, than new clause 3 does. I hope that I have persuaded hon. Members that that is the case and that they will join us in the Division Lobby. However, the Government have moved some distance on this. When the matter was first raised in the other place, the Government were reluctant to accept a triennial review.

Mr. Jim Cunningham (Coventry, South) (Lab): Surely common sense would dictate that if further reviews were necessary in the light of new information, the Government would carry them out, so there is no need for new clause 2.

Mr. Hoban: I would rather have the comfort of knowing that the Government were obliged to have another review, rather than leave it to the whim of Treasury Ministers. That is a much more secure basis on which to have the review than to allow one review and for the matter then to be put back on the shelf and forgotten about. The requirement to have ongoing reviews, with the Government able to determine when those reviews should stop through the statutory instrument process in my new clause, would be a far better safeguard for consumers and voluntary groups and would show that the scheme was working effectively.

Mr. Cunningham: Surely common sense would dictate that if further reviews are needed they will be held. How many reviews does the hon. Gentleman think we should have?

Mr. Hoban: The answer is that I do not know. We may have to have a review every three years until the end of time, although I suspect that that is not the answer. Equally, I am not certain that just once is the answer either. That is why new clause 2 seeks to place on the statute book the requirement for there to be further reviews until a statutory instrument removes that obligation. My new clause would give people greater certainty about the scrutiny of the process than the Government's new clause. We are talking about money that belongs to consumers, to our constituents. I want to ensure that the reclaim process works properly and effectively, and when we are talking about potentially £400 million or £500 million, I am not sure that one review is sufficient. If the scheme is deemed to be working well at the end of one review, the Government could bring forward a statutory instrument to remove the obligation to have

any future reviews. My suspicion is that one review will not be enough, and there will be a need for a second review. Therefore, rather than let it be at the discretion of the Treasury, it is important that Parliament should determine that there should be the capacity to have regular reviews of this issue.

That is the main area where there is a difference between new clauses 2 and 3. I do not think that new clause 3 provides the comfort and assurance that the voluntary sector and consumers are looking for, and that is why it is deficient. New clause 2 offers much greater protection to the voluntary sector and consumers that the scheme will work in both their interests.

Keith Vaz (Leicester, East) (Lab): I did not have the pleasure of serving on the Committee, but judging from the speeches of my hon. Friend the Minister and the hon. Member for Fareham (Mr. Hoban), it sounded like a particularly civilised Committee stage. I do not know whether I am right or wrong. The hon. Gentleman feels that new clause 2 is slightly better than the Government's, but I am not sure whether he will seek to divide the House. There is consensus on the need to review how the legislation operates, and I welcome the common-sense approach taken by my hon. Friend in tabling the new clause. He seems to have accepted the views put forward in Committee by both the Conservative party and the Liberal Democrats—whom we have yet to hear from, so I hope I am not misquoting them in advance.

My only concern is the need for a degree of independence in the process, given the current climate. I understand why this has to be led by the Treasury—this is an idea that comes from the Treasury and Treasury Ministers—but it is important that the Government allow some degree of independence in the review process. We have not had this process before, but I envisage people being able to make written representations to the Treasury within a time scale enabling the review to take place. I am not sure whether that is what the Minister has in mind, or whether he proposes to elucidate further on how the process works, but it is important that we get as much detail as possible on the record, so that once the review process begins, people feel that it is open and transparent and they can put forward their views about how they can best express their concerns over what is happening.

4 pm

As the hon. Member for Fareham said, we are dealing with other people's money, so we need to be very careful about how the state claims and uses it, even though it may be for appropriate reasons and for good works. It is going through the lottery agencies and so on, so it must be for good things; it cannot be for bad things. Despite that fact, people need to have the confidence of knowing that there is a proper and transparent approach, but that degree of independence is missing from new clause 3. I do not know whether this was the case but, as the new clause was probably drafted over the weekend, as such things are when Report approaches, perhaps there was no chance to think about the issue more carefully. However, when the Minister replies, perhaps he will give us that degree of assurance—that that independent element will appear somewhere in the process.

I recognise that other Members have followed the Bill through its various stages and are therefore experts on these matters, bit I should like to ask the Minister whether the proposal will also cover dormant accounts from banks that are in liquidation. He will know that the Bank of Credit and Commerce International has been in liquidation for 17 years. It is an ongoing process, and there is clearly enough money to cover all the money that is left in that bank. Might we apply the legislation to the people whose bank accounts were, in effect, frozen on 5 July 1991 and, if we add the Government's proposed 15-year period to the 17 years of liquidation, have had dormant accounts for 32 years? Has he considered the issue of a bank that has been insolvent or in liquidation for the huge length of time that BCCI has? There are still bank accounts that were dormant on 5 July 1991 and, presumably, still sit in BCCI in liquidation. The money is still there, and nobody has done anything with it. Has the Minister looked at that? When he replies, will he please reassure people who still wish to claim those accounts that something is being done as the Bill reaches its final stages?

Mr. Jeremy Browne (Taunton) (LD): It feels as though we are dancing on the head of a pin when there are rather more pressing matters facing the banking sector. Nevertheless, that is perhaps inevitable at this stage of the legislative process. I welcome the fact that at all times, in the other place and in Committee in this House, the Bill has broadly commanded cross-party support. That is reflected in the Government's new clause 3, which I welcome. I am grateful to the Government for listening to the representations that were made in Committee and for seeking, to some extent, to accommodate the concerns that Members from all parties expressed.

With this legislation, there is, after all, a sense that we are entering slightly different territory, and, even though the headline concept is fairly straightforward, we are not certain about how some aspects of it will pan out in practice: whether 15 years, for example, will be an appropriate period for a bank account to be deemed to be dormant; the nature of the reclaim for people who want access to their funds after that 15-year period has elapsed; the mechanisms for distributing the money and the causes that it goes to; and many other features of the legislation besides. So my colleagues and I have always taken the view that some sort of review mechanism would be healthy and in the interests of the Government. The amendments, both in the other place and in this House, were not about Opposition point-scoring to try to put that process into the legislation; they were well-intentioned, and I am pleased that the Minister and his colleagues have sought to accommodate them and seen the wisdom in trying to take that approach.

My party's view in both Houses has always been that the review should be regular, although in Committee I was, like the hon. Member for Fareham (Mr. Hoban), happy to concede that having a review every three years for—as he put it—"the rest of time" might be somewhat excessive. No doubt, over a period the legislation would settle down and people would feel confident with how it worked in practice.

Our concern now—as I said, we are dancing on the head of a pin somewhat—is whether one review is sufficient or whether subsequent reviews may be required. If they are, should that be expressed in the Bill or should the Government freely come to a conclusion

[Mr. Jeremy Browne]

about the issue after they have conducted one review? The margins of difference between us are pretty small, but in so far as the issue matters, I would prefer the legislation to express a mechanism for further reviews.

Having said that, I should say that new clause 2 is rather loosely worded. I can see why Opposition parties would wish to support the new clause because of the broad principle of having more than one review. The Government, however, may be anxious, with their majority, about putting into legislation provision for carrying out reviews "From time to time", as new clause 2 states. That seems extremely loose; it could mean anything—every 50 years, I suppose. On that basis, the Government could easily either bring forward reviews or completely ignore new clause 2, even if it were passed by the House today, on the basis that having a review a century from now would not be sufficiently frequent or urgent.

In Committee, I made a concession when I had tabled a similar amendment that would have required the Government to consult "those affected" by the legislation. I was criticised by other Committee members, and I conceded that their criticism had some legitimacy and that my wording was too loose for a consultative process. However, new clause 2 would require the Government to consult

"those persons who it considers to have relevant knowledge".

That strikes me as entirely open to interpretation by those undertaking the review. I take the point made by the right hon. Member for Leicester, East (Keith Vaz), who said that if the Government are reviewing their own legislation and are required to consult only those it regards as having "relevant" knowledge, they will pretty much have a free hand to consult whomever they see fit to consult—they may choose to consult only those who are likely to give the answer that they wish to hear.

Rob Marris (Wolverhampton, South-West) (Lab): Does the hon. Gentleman agree that the scope of new clause 3 is rather tighter than that of new clause 2 in respect of the topics that must be included in the review? I shall not read out new clause 3(2), but it seems more onerous on the Treasury in respect of the review than the provisions under new clause 2. New clause 3 seems more desirable in that respect.

Mr. Browne: I agree. New clause 3 is better worded; it might have been drawn up over a weekend, but new clause 2 must have been rushed through the drafting process much more speedily than that this morning. New clause 3 is more tightly defined, but new clause 2 has provision for subsequent reviews, whereas new clause 3 does not. Those who would prefer more than one review, or at least the option of that, may be tempted to support new clause 2. As I am of the view that the option of more than one review may be desirable, I am more sympathetic to the objectives of new clause 2, although I see that the drafting of new clause 3 has greater merit.

Rob Marris: I am grateful to the hon. Gentleman for his generosity in giving way. As he pointed out, this is a case of angels dancing on the head of a pin, given that both new clauses rely on the discretion of the Treasury. New clause 2 says that reports should be prepared "From time to time"; as the hon. Gentleman pointed out, that is an incredibly elastic phrase. Under new clause 3, there is nothing to prevent there being more than one report, although there is no provision that there should be more than one. New clause 2 adverts slightly to there being more than one report, but "From time to time" is so elastic that both clauses would leave the issue to the discretion of the Treasury.

Mr. Browne: That sums up our debate rather well. I hope that Members present do not feel that their time is not being spent sufficiently productively.

Mr. Hoban: I had not realised how much discussion could be had about a single new clause until the hon. Member for Wolverhampton, South-West (Rob Marris) walked into the Chamber.

The advantage of new clause 2 is that even if the Treasury agreed to have only one review, at least there would be a mechanism for ensuring that we could have a debate, whereas under new clause 3 if the Treasury decides on a whim not to have more than one review, there is no formal mechanism for this House to challenge the Government on that decision.

Mr. Browne: This conversation is getting more and more arcane. I conceded in my opening remarks that although on the face of it the Bill is quite straightforward, it has a few unusual features. We are navigating waters that have not previously been explored in this country, although similar schemes exist in other countries. There is therefore merit in having a review. Having said that, I think there is merit in periodically reviewing every piece of legislation that the Government introduce to see whether it has had the intended effect.

In new clause 3, the Government make the useful concession of allowing a formal review. I do not want to be mean-spirited, because they have moved on this: they have listened to the concerns that have been expressed and, in a healthily non-partisan manner, sought within the bounds of what they regard as practicable to bring forward proposals that can command broad support. The Opposition parties may wish the Government to commit to further reviews, which would be desirable, but I can see why they would be reluctant to support the rather loosely drafted new clause 2.

Rob Marris: What are you going to do?

Mr. Browne: I do not anticipate the Conservatives pressing new clause 2 to a Division. On the basis that it contains the broad principle of having more than a single review, I would be willing to support the Conservatives, but I suspect that the Government would use their majority to vote down that proposal on the basis that they share my concerns about its loose wording.

Tom Levitt: It is a pleasure to follow the hon. Member for Taunton (Mr. Browne), from whom I learned—I had not realised this before—that the Liberal Democrat party is in a position to make concessions. However, I will put that aside for the moment.

As chair of the all-party group on the community and voluntary sector, and one to whom the sector has been talking loudly on this issue, I very much appreciate the spirit in which my hon. Friend the Minister has

tabled this amendment, as he promised that he would following our debate in Committee. He has been as good as his word. I will, if necessary, follow him into the Lobby to support new clause 3.

My hon. Friend the Member for Clwyd, South (Mr. Jones) and I were part of the awkward squad on the Back Benches in Committee—*[Interruption.]* I hear gasps of astonishment from my colleagues. As such, let me make one or two other statements about the new clause. I hope that my hon. Friend the Minister is right about the intention to pursue a voluntary scheme. I am much consoled and helped by his saying in response to my intervention that legislation to address a failing scheme could well be considered at a later date. I hope that that is not necessary. Although he did not say so, I suspect that he is of the opinion that inserting too many get-out clauses may undermine the voluntary scheme, and we certainly do not want to do that. We will have a voluntary scheme as a result of the legislation, and we all want it to work in the interests of the beneficiaries, and of the good standing of the banks.

4.15 pm

It is important to have a review. My hon. Friend the Minister was right to vote against the amendment passed in another place when it came to Committee, and I believe that new clause 3 is an important clarification of the position. It is a review process far superior to the one in the Bill when it first came to Committee. It does not rule out a subsequent review; it cannot do so. All Ministers must, at any time, be able to revisit previous legislation to check that it is working. Those of us who wanted an assurance about voluntary, as opposed to compulsory, status may be superficially attracted to new clause 2(5)(b), which suggests legislation might be introduced. In fact, that provision is meaningless. If legislation is necessary to put right something that is wrong with the scheme following the review, new clause 2 would not provide a quicker or more efficient way of achieving it; it simply says that it might be necessary. The Minister has conceded that it might, at some point, be necessary. New clause 2 is superficial and has been tabled for the sake of it, to allow a debate to take place.

Taking all those points into account, and in the spirit of what my right hon. Friend the Member for Leicester, East (Keith Vaz) described as the civilised way we dealt with matters in Committee, and in the spirit of the brevity of those proceedings, I support new clause 3.

Mr. Charles Walker (Broxbourne) (Con): I too served on the Committee, and it was an extremely enjoyable experience. The sittings were very good natured, and if all Committees were like that, this place would be far happier and more productive.

I am pleased with the direction of travel of the Bill. We are talking about large sums of money being taken from dormant bank accounts and being given to good causes, so it is important that once we establish the body overseeing that transfer of money, it is not out of sight and out of mind. We need to get it set up, and then be able to feel that we have done our job effectively and so move on. I am extremely pleased that in three years' time we will revisit its performance when we can talk to the various parties involved in its operation to divvy up the cash. The banks and building societies will have their view, and some who have voluntarily signed up will have suggestions on how arrangements can be made even better. It will also give us the opportunity to talk to those who had not signed up to ask how we could persuade them to do so, without cajoling them with the threat of binding legislation. We can also talk to those who have been reunited with their money about their experience. There will be a good opportunity to sit down in three years' time to establish whether the mechanism we are putting in place today is working and delivering efficiently and effectively.

I hope that new clause 2 will get a further hearing because, if we decide not to have further three-yearly reviews of the performance of the body in Parliament, it is important that there is a debate in Parliament when it can come to a settled view that it is happy with the direction of travel after three years and that it needs to have no further involvement. I prefer our new clause 2 to Government new clause 3 and, while there is no place for partisanship in this debate, I suggest humbly to my hon. Friend the Member for Fareham (Mr. Hoban) that if he does not like new clause 3, in three years' time, he might be in a position—as a Minister—to change it and ensure that we have such debates regularly.

Rob Marris: I shall cover three points: Treasury discretion, factors covered by any review, and those consulted. Although this is not a fantastically well-attended debate, and I was not on the Committee that examined the Bill, it is an extremely important matter because we are, as several hon. Members have said, talking about taking people's money. Parliament must be extremely careful when passing any such legislation.

I have given my opinion of Treasury discretion in interventions on the hon. Member for Taunton (Mr. Browne), who kindly accepted them. I do not believe that new clause 2(2), which begins, "From time to time" makes any difference—it is simply a statement of principle.

Mr. Martyn Jones (Clwyd, South) (Lab): I am sorry to interrupt my hon. Friend's flow, but, as he did not serve on the Committee, perhaps he may be under a misapprehension. People's money will not be taken—the money will always be there. People who lose contact with their funds will always have access to them—that is one of my reasons for pressing for the measure for the past 10 years. People can get their money. We are talking about using the money that cannot be given back to people for good causes rather than for profits for the banks.

Rob Marris: I stand corrected on the nuances—the measure would not take people's money for ever more. However, it provides for taking people's money, and they would have to go through a procedure to get it back if they resurfaced after, for example, 20 years.

On Treasury discretion, new clauses 3 and 2 are effectively no different. I prefer new clause 3 because of the factors that it covers. On the review, new clause 3(2) contrasts with new clause 2(4). The subject matter that would be reviewed under Government new clause 3 is rather greater and more intensive than that envisaged under the Opposition's new clause 2.

Similarly, when one contrasts new clause 3(3) with new clause 2(6), the consultation process envisaged in new clause 3 is rather better than that in new clause 2.

For those reasons, if new clause 3 is pushed to a Division, I will support the Government.

Ian Pearson: We have had an interesting debate, which shows that there is not a great deal of difference about substance between all hon. Members who contributed. We all believe that a review is necessary, and most of the debate has centred around whether more than one review should take place and whether provision for that should be made in the Bill.

The Government's position is that a comprehensive review in three years is sufficient to establish whether the scheme is operating effectively and that further requirements for reviews constitute a heavy-handed approach. I understand the view of the hon. Member for Fareham (Mr. Hoban), who speaks for the Opposition, that new clause 2 specifies further reviews "From time to time"; the wording is fairly loose, as we have discussed. I also appreciate that new clause 2 includes a power to remove subsequent reviews through the affirmative resolution procedure. However, we do not believe that we need that amount of stricture. If the review demanded further consideration by Government, it could—and would—be conducted in the way that my hon. Friends the Members for Coventry, South (Mr. Cunningham) and for High Peak (Tom Levitt) clearly outlined. If a review revealed that we needed to review the scheme still further because sufficient concerns remained, we would do that. Not putting something in statute does not mean that it will not happen.

Mr. Hoban: May I draw the Economic Secretary's attention to a parallel? The Financial Services and Markets Act 2000 included a power to conduct a formal review of the FSA and the Financial Ombudsman Service in two years of their being established. That measure does not rule out further reviews, but only one review of FOS and the FSA has taken place. It is all very well Ministers saying, "Oh yes, we could have another review", but, without a legislative requirement, the necessity for keeping the scheme under consideration will soon slip out of the Treasury's mind. That is why new clause 2 requires further reviews, but also includes the power to remove the requirement, if appropriate. New clause 2 would force the Government to keep the matter on their agenda, whereas new clause 3 would allow it to drop off quickly, after the first review.

Ian Pearson: Let me assure the House that we would commit to keeping the issue very much on the Government's agenda, but that would also depend on what the first review concluded. If the first review concluded that the scheme was working well—that there was extensive voluntary participation, that the reclaim fund was operating efficiently and that money was going to the Big Lottery Fund and being spent in exactly the right way—it might also conclude that no further action was necessary other than to keep a watching brief. To commit ourselves to hold a review "from time to time" would not be a good legislative route to pursue.

I should like to pick up some of the points that hon. Members have made. My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) made the point in his speech and in response to an intervention by my hon. Friend the Member for Clwyd, South (Mr. Jones) that we are talking about customers' money. A great deal of time and effort has already been spent on reuniting customers with their money. My hon. Friend the Member for Wolverhampton, South-West talked about the procedures that people will need to go through to reclaim their dormant account money, so I ought to explain that doing so should be very simple. It should require no more than taking two forms of identification to one's bank or building society and saying, "I'd forgotten that I had this money in my account. This is me—please give me the money." All the wiring that will support subsequent claims on the reclaim fund to reimburse the bank or building society will not be seen by the customer, who will just have to undergo a simple transactional exercise, just as people go their bank or building society and withdraw money that is rightfully theirs.

My right hon. Friend the Member for Leicester, East (Keith Vaz) made two important points. First, he asked whether there would be an independent element in the review and noted that the clause as drafted requires that the Treasury carry it out. As we have made clear, the review will be undertaken in consultation with industry, consumer groups and the voluntary sector. We see the process as a consensual one. We do not specify in the Bill whether a Treasury official would carry out the review or whether we want to commission independent consultants to do it, but that is a decision that we would want to make at a later stage.

Keith Vaz: I am most grateful to the Minister, but I hope that he will not have consultants conducting the review. He has put a jolly good new clause before the House and presented a brilliant Bill. Let us not spoil it by bringing in the consultants. If he wants to bring someone in, he should choose some great, towering figure from business or wherever—I do not know what Lord Digby Jones is doing these days—who will have a proper, independent look. Please, please do not go to consultants.

Ian Pearson: I take my right hon. Friend's point. My point is that there will be extensive involvement and consultation as part of the review process. Whether the review team will be made up purely of Treasury officials or whether we want an independent person in charge, whoever they might be, is something that we can consider later, when drawing up the review.

My right hon. Friend also discussed the liquidation of BCCI. I stand to be corrected, but my understanding is that accounts from the former BCCI are not likely to be transferred into the reclaim fund or meet the requirement of dormancy, as defined in the Bill as drafted. Should that not be the case, however, I will endeavour to come back to him. However, the principle is that the scheme is voluntary and the reclaim fund is a private sector organisation. There is discretion on the part of the participating banks and building societies to interpret whether such accounts are dormant. That is one of the flexibilities in the system, which we believe to be one of its strengths.

4.30 pm

Mr. Hoban: The right hon. Member for Leicester, East (Keith Vaz) raised an important issue. Is the Minister saying, in effect, that the liquidator would be able to choose whether the remaining assets, in this case in BCCI, would be available for transfer to the reclaim fund? The liquidator's duty to maximise the amount available for creditors would seem to suggest that doing so would be wrong and that any moneys remaining in dormant accounts should stay within BCCI and form part of a dividend to be distributed to creditors.

Ian Pearson: My understanding is that the latter would obtain. There is also the issue of what would happen if money was transferred into the scheme and a bank subsequently became insolvent. In those circumstances, I think that the customer would still be able to reclaim their money, and that would be the right thing to do.

Keith Vaz: The Minister said that the customer would be able to reclaim the money. Would they reclaim it from the liquidator, or would it go back to the insolvent bank first? I think that that was the point that the hon. Member for Fareham (Mr. Hoban) was making.

Ian Pearson: If the money has already been transferred to the reclaim fund, even in an insolvency situation, and if a customer is—

Keith Vaz: Would the Minister prefer to write to me about this?

Ian Pearson: Let me try to explain it first. If it is still unclear to my right hon. Friend, I will endeavour to write to him. The key principle is that dormant accounts are transferred to a reclaim fund, then transferred on to the Big Lottery for distribution to worthy causes. If, at any time, a customer with a dormant account should realise that their account is dormant and want to get their money, they can go back to the bank or building society. That procedure would pertain in a normal situation, but I would suggest that it would also pertain in an insolvency. The customer would have the same rights as any other retail depositor in an insolvency. If I need to make any further clarification on that, I will ask leave of the House to do so.

In conclusion, I do not think that there is a great deal of difference between new clauses 2 and 3. The principal difference is the question whether there should be a review from time to time, or whether there should be just one review, followed by the Government making a commitment that, if we felt further reviews were necessary, we would endeavour to ensure that they took place. I hope that the hon. Member for Fareham will not feel that he needs to press new clause 2 to a vote, but if he does, I will invite my hon. Friends and other hon. Members to oppose it, and to support the Government's new clause 3.

Question put, That the clause be read a Second time:—

The House divided: Ayes 236, Noes 185.

Division No. 306] **[4.33 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Clapham, Mr. Michael
Clark, Paul
Clelland, Mr. David
Coaker, Mr. Vernon
Colley, Ann
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Fisher, Mark
Fitzpatrick, Jim
Fletto, Mr. Robert
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Malloher, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFall, rh John
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Oliner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian

Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Reynolds, rh Mr. Nick
Reed, Mr. Andy
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Ward, Claire
Wareing, Mr. Robert N.
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Dave Watts and
Ms Diana R. Johnson

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Fabricant, Michael
Fallon, Mr. Michael
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Hulme, Chris
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Osborne, Mr. George
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Stephen
Willis, Mr. Phil
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. David Evennett and
Mr. John Randall

Question accordingly agreed to.
Clause read a Second time, and added to the Bill.

New Clause 1

REGISTER OF DORMANT ACCOUNTS

'(1) The Treasury may make such regulations as are necessary for the establishment, maintenance and operation of a register of dormant account funds ("the register").

(2) The regulations made under subsection (1) shall provide for—

(a) particulars relating to the dormant account to be entered into the register;

(b) arrangements to allow any registered charity to enquire of the registrar whether the register includes an account in the name of a deceased individual from whom the charity might expect to benefit;

(c) arrangements to allow any registered charity to be able to trace an account or accounts at any one time; and

(d) other particulars as may be prescribed by the Treasury.

(3) Before making any regulations under subsection (1), the Treasury shall consult—

(a) such persons as are likely to be affected by those regulations; and

(b) such persons as the Treasury considers appropriate.

(4) Regulations made under subsection (1)—

(a) may make different provision for different cases; and

(b) may contain such incidental, supplemental, consequential and transitional provision as the Secretary of State thinks fit.

(5) The power to make regulations under subsection (1) is exercisable by statutory instrument.

(6) No regulations may be made under subsection (1) unless a draft of the statutory instrument containing the regulations has been laid before, and approved by a resolution of, each House of Parliament.'.—*[Mr. Jeremy Browne.]*

Brought up, and read the First time.

Mr. Jeremy Browne: I beg to move, That the clause be read a Second time.

As the Bill has commanded cross-party support throughout its progress, it might, in keeping with that spirit, be worth my drawing attention before I discuss the substance of the new clause to the distinguished list of Members from all parties who are signatories to it. They include the deputy leader of my party, my hon. Friend the Member for Twickenham (Dr. Cable), and the Chairman of the Treasury Committee, the right hon. Member for West Dunbartonshire (John McFall), whose report on unclaimed assets recommended that a reserve power to create a register be included in the Government's proposals, which is precisely the purpose of the new clause.

Rob Marris: The hon. Gentleman was referring to the hon. Members who were signatories to the new clause. The amendment paper lists six names, so I am curious as to why it also says that the total number of signatories is seven. Who is the seventh?

Mr. Browne: I do not know; there are so many wise Members in this House, of all different parties, that the list could include hundreds. I can only speculate that those who have not signed have not been sufficiently attentive to notice that the new clause was there to be signed, because anyone who had had the opportunity to sign it would have taken that chance.

The new clause was signed not only by the widely respected deputy leader of my party, but by hon. Members from all three main parties in this House, including the Chairman of the Treasury Committee, the right hon. Member for West Dunbartonshire. The Committee's report on unclaimed assets recommended that a reserve power to create a register be included in the Government's proposals. The right hon. Gentleman was also primary sponsor of early-day motion 1581, which I, too, have signed, along with other hon. and right hon. Members. It calls for a reserve power to create a register if reunification efforts prove insufficient. That is the nub of the matter, and I shall address it in due course.

The new clause was also signed by the hon. Member for Norwich, North (Dr. Gibson), chairman of the all-party group on cancer, and by two Conservatives, the hon. Member for Bromsgrove (Miss Kirkbride), who I believe used to be a vice-chairman of that group, and the hon. Member for Broxbourne (Mr. Walker), who was a member of our Public Bill Committee. It was also signed by the Member who has perhaps devoted more time and effort to considering dormant bank accounts than any other—the hon. Member for Clwyd, South (Mr. Jones). He, too, has expressed support for a reserve power for a register, and did so on Second Reading and in Committee.

In summary, unlike the other new clauses that we have discussed this afternoon, this measure is supported by Members from all three parties; it is doubtless supported by Members from other parties too. That is because the intentions behind it are entirely laudable, and it would help the House if I were to provide a small amount of background. We are concerned with the ability of charities to access legacies, which are a vital strand of the income of charitable organisations. The Building Societies Association and the British Bankers Association have estimated that up to £500 million is sitting in dormant accounts, but that estimate is disputed—there are a range of views as to how much money will be realised as and when this Bill becomes law. Some think that the sum may be as high as £5 billion, so we are talking about a large sum.

It is worth setting out a few facts for the House to give context on unclaimed funds and the impact on the charitable sector. One in seven people leave legacy gifts to charity, and those average 5 per cent. of their total estate. The Institute of Fundraising estimates that legacies accounted for 36.3 per cent.—more than a third—of the voluntary income received by charities in 2007, and that that totalled £1.6 billion.

Let us consider the impact that those legacies have on specific well-known charities. Some 46 per cent., or almost half, of the British Heart Foundation's voluntary income came from legacies last year, as did 33 per cent. of Cancer Research UK's voluntary income, totalling £135 million. This is not controversial; hon. Members on both sides of the House understand how important it is for the charitable sector that legacies can be realised, because they form a vital part of their funding. This country has an extremely healthy charitable sector. Many charities in Europe caring and catering for people afflicted by illness or other circumstances look enviously at the British charitable sector, because it raises more money, and employs and deploys more people, for charitable causes than those in many comparable countries. We are very well served by our charitable sector, and it is important to ensure that it can access the funds that it requires and that were intended for it by people in their legacies.

In the view of many in the charitable sector, charities cannot adequately locate legacies left in dormant accounts. In that regard, everyone welcomes the industry's main initiative: the website www.mylostaccount.org.uk, which allows any person or charity to search online using basic information. That facility has been useful to many

[Mr. Jeremy Browne]

people, but nevertheless a feeling remains that it is not sufficient and that some charities will be unable to access the money intended for them.

Rob Marris: I am listening very closely to the hon. Gentleman; I understand his logic, but why does the new clause not refer to executors or administrators of estates? It is they who would be seeking to fulfil a bequest made, for example, by a deceased person in their will to the Royal Society for the Prevention of Cruelty to Animals, of which I am a member. In such a situation, the RSPCA would have a vested interest in accessing any money due to it from the estate and in ensuring, if it could, that the estate had sufficient funds. However, surely that is primarily the duty of the executor or administrator. Should the register not advert to them rather than to registered charities?

Mr. Browne: The hon. Gentleman makes a reasonable point about where the emphasis should lie. If the new clause does not cater for that point sufficiently, it is because it was inspired by representations from many charities keen for progress to be made.

In Committee, I tabled an amendment to create a reserve power allowing a register of dormant accounts to be set up in the triennial report, if the scheme's reuniting practices were found to be inadequate, but the Government were reluctant to accept that reporting requirement. However, Government new clause 3 introduced a mechanism allowing for a one-off report after three years to consider how the legislation has worked out. New clause 1 is particularly appropriate given the adoption of Government new clause 3. If the report were to find that the ability to reunite charitable organisations with legacies intended for them is inadequate, new clause 1 would be all the more valuable.

In the Lords, an amendment to introduce a reserve power to create a register was narrowly defeated—this takes me to the crux of new clause 1. It had been argued that it was desirable for individuals to be able to access a register to find moneys that were rightfully theirs. Concerns were expressed, although representations were made that those concerns were unfounded, that a database that was drawn so widely and accessed by a large number of people might cause problems. New clause 1 has been drawn much more tightly to take account of those concerns.

5 pm

New clause 1 seeks to give the Treasury the reserved power to create a register to allow registered charities—not any organisation, but registered charities—to search for legacies left to them. Under subsection (2)(b), the register would be regulated by a registrar. Under subsection (2)(c), the search would be conducted across all dormant accounts that were registered. Subsection (2)(d) would provide the Treasury with flexibility to include other stipulations as it saw fit, and require it to consult those who were likely to be affected.

That is the essence of the proposal. I know that some concerns have been expressed, not least by the Conservative party, about whether a register would infringe people's rightful expectations about data protection. I take those concerns seriously, because I share them. However, the advice that I have heard—other Members have received these representations, too—is that the new clause tabled by me and supported by Members of all three main parties would, as worded, not cause undue concern in that regard. The charities would have limited access to information and data that they would find useful in trying to access the legacy money that I described, which is essential to them, but people's rightful expectations of privacy would not be infringed. Crucially—this is, in a way, a concession made by me and by others who share my view—that access would be restricted to registered charities only.

Some people have particular concerns. The United States, Canada and Ireland, as I understand it, all have registers as part of their dormant bank accounts initiatives, which have not been found to be susceptible to fraud and have not given rise to the type of concerns that some might have about the proposal in new clause 1. As to experience from abroad, the concession that has been made in terms of limiting charities' access to the register is an attempt to find the common ground that has typified most of our deliberations on the Bill.

I hope that for all those reasons, as well as our collective desire for charities not only to raise as much money as possible but to raise money that was intended for them and for the causes that they wish to pursue, the new clause will be looked on sympathetically by Members from both sides of the House, and might even become part of the legislation.

Mr. Martyn Jones: I shall not detain the House for long, but I wanted to point out why I put my name to the new clause. One of the main tenets of the Bill is to encourage people to get their money back—to get as much as of this money as possible back to its original owners and to those who are entitled to it. They include those whose wills have lost contact with their bank accounts and so on. It should ensure that those who should have the money have the money. One of the best ways to do that, as has been seen throughout the world in all the other many countries that have such legislation, is to have a centralised register. That is so much easier than having to tout data around all the different banks and building societies.

If there is a central register that people know about, the process is much easier. I know that we have mylostaccount.org.uk, but I do not see why the Government should set their face against the new clause, which would be an added benefit for people who have lost contact with their money. It would also mean that not many more data were flying around. At the moment, those data have to be put into whatever other process has to be gone through, and sent around to various different organisations. There cannot be so much risk of data falling into the wrong hands. I wish that the Minister would reconsider the issue at this late stage and try to accept the new clause.

Mr. Walker: If I have any concern about the Bill, this is one of the areas that I am most concerned about. We recognise in the House that charities derive a significant amount of their income from legacies, and the fact is that the Bill does not make adequate provision to ensure that that is adequately reflected when the money in dormant building society accounts is divvied up.

I have added my name to the new clause almost in a probing way, because I would very much like the Government to accept that part of the large sums of money that we are talking about could make a significant difference to the funding of charities in this country. If 5 per cent. of legacies goes to charities, it would not be unreasonable for the Bill to reflect that by having 5 per cent. of the dormant bank and building society accounts fund set aside to be distributed to the charitable sector. I appreciate that, in going to the Big Lottery Fund, the money will go to good causes or to a good cause, but that is a very specific allocation.

I have listened to the arguments of a coalition of charities, and I am very sensitive and alive to them. In particular, the money that will be set aside from dormant bank and building society accounts could make a huge difference to less well-funded charities. Many popular charities do not struggle to secure funding and charitable giving, but a number of very worthy charities find it very difficult to raise funds, because they do not have the infrastructure or do not strike the same chord with the public.

I will not try your patience, Madam Deputy Speaker, by going through a range of the charities that struggle for funds, but I point out that mental health charities, for example, find it very difficult to raise funds. I go to many sporting events and see sporting teams wearing pink for breast cancer, which is an honourable and noble thing to do, but I see very few sporting teams wearing something to help to raise funds for the mentally ill, and I should like more of them to do so.

If I could prevail on the Government, I would say, "Please look at this." We are talking about hundreds of millions of pounds. Would it not be possible to go away, rethink and ask officials, "Couldn't we set aside 5 per cent. of the fund in a mechanism that would enable it to be distributed to the charitable sector?" That would find favour among many charities and among many of our constituents as well.

Rob Marris: I support the concept of a register, for some of the reasons set out. We could be doing many things to tighten data protection. For example, Wolverhampton city council has no port for a memory stick on many of its computers, so there is no chance of a memory stick with information on it going missing, because a memory stick cannot be plugged in.

We are focusing on charities in the new clause. Although that focus is extremely worth while—I very much support what has been said about charities—it is too narrow, because individuals who should inherit money from dormant bank accounts could not do so, because of the regulations envisaged in the new clause. Charities could do so, as one class of beneficiary, but not individuals. That takes us on to a little background on what happens on someone's death, which some hon. Members might not be aware of—I am; I was a solicitor before I entered the House.

For shorthand, I will refer to executors, rather than referring in the legal way to executors and executrices and administrators and administratices, because that confuses people. In everyday terms, when someone dies without a will, administrators are appointed to deal with the estate. If someone dies with a will, executors are appointed. However, there will be a grant of letters of administration on intestacy or a grant of probate if someone dies with a valid will. However, for the sake of argument, let us simplify and say that those who deal with the estate are executors.

The executors will distribute the money of which they are aware in accordance with the deceased's wishes if there is a will and in accordance with the law of intestacy if there is no will. If someone dies intestate and there is no beneficiary at all, the estate goes bona vacantia, which is referred to in the explanatory notes and means that the Crown gets it.

If someone dies with a will and leaves a bequest to a charity in it, the charity should get the money. However, there may not be enough money in the estate, or it may be that the charity is the residuary beneficiary. For example, the will might say, "I leave all my furniture to my kids, and everything else I've got goes to the Royal Society for the Prevention of Cruelty to Animals." The RSPCA is then the residuary beneficiary, and gets everything that is left over after the furniture has gone to the kids. That residuary sum will be higher if there is a dormant bank account that can be brought back in to swell the estate. The RSPCA, in the example that I gave, would then get more.

The difficulty with the wording of new clause 1, worthy as it is, is that it focuses only on charities. Let us say that someone dies and leaves several bequests in their will, which is quite common; often they leave a specific bequest of a named sum to a charity, and the residuary beneficiaries are their children. In that situation, the residuary beneficiaries may not get all that they are entitled to if they did not know that their deceased parent had a dormant bank account that had been swept into the reclaim fund, but that could come out of it if they ever found out about the account.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am grateful to my hon. Friend for imparting his professional knowledge to the House. Could he go a little further and say whether there is any legal obligation imposed on executors and administrators to conduct a reasonably thorough search for less obvious assets, such as dormant accounts, that the deceased may have left?

Rob Marris: My hon. Friend has an accountancy background, not a legal background, but he is absolutely right to use the term, "a reasonably thorough search". Executors have to take reasonable steps; they do not have to search to the ends of the earth to find assets that might be brought into the estate and distributed in accordance with the law on intestacy, or the wishes of the deceased.

That brings me neatly to my point about the way in which the new clause is framed. It does not do what I—and, I suspect, those who tabled it—would like it to do. It focuses on charity, for obvious reasons, but there is a simpler way of doing things. I preface my remarks by saying that I think that there should be a register. There is a body that hands out grants of probate. One applies to it, shows it that there is a valid will, and that one is the executor and so on, and one gets a nice, stamped document back with "grant of probate" on the top. It has the name of the executor on it, and the name of the deceased, whose estate the executor is going to sort out. I cannot remember the body's name, because it is a quarter of a century since I did such work. When that body—I think that it is a court of some sort—acceded

[Rob Marris]

to a request for a grant of probate and sent out that grant of probate, it could check a register to see whether the deceased had any dormant bank accounts. It could then let the executors know. If there was a dormant bank account, the executor could get the money back from the reclaim fund and use it to increase the value of the estate. Those who were entitled to distribution from that estate, be they individuals or charities, would then get more money.

Let us have a register, but it would be much simpler if the court that hands out grants of probate could simply check that register—that would, to some extent, deal with data protection issues—and inform the executors that it knew that there was a dormant bank account, because it had found the name on the register. That would be a much simpler way of doing things. It would benefit charities, which is what those who tabled the new clause admirably wish to do, and benefit others.

Mr. Hoban: New clause 1 clearly shows that there has been some movement on the issue since we debated it in Committee. I am not entirely clear from the speech given by the hon. Member for Taunton (Mr. Browne) how he expects the register to work in practice. For example, it is not clear whether we are talking about a voluntary register, which would go with the grain of the scheme envisaged in the Bill, or a compulsory register, to which banks and building societies would have to sign up. That is an important distinction to draw. As I mentioned, the scheme in the Bill is voluntary; banks and building societies have the right to opt into it. All the arrangements are predicated on that basis. I am not entirely clear whether the hon. Gentleman would require banks and building societies to put this information on a register and therefore convert the scheme from a voluntary to a compulsory scheme. He may wish to intervene to clarify that.

5.15 pm

I think that we all accept that charities want to maximise their income from legacies, and there is a set of circumstances in which they are not in a position to do so because they do not have the right to access the "mylostaccount" website, which is the portal that has been used to allow individuals to search for dormant bank, building society and NS&I accounts. It is not clear to me whether the hon. Gentleman expects that voluntary scheme to be superseded by his register. He did not talk about the interaction between the two processes and whether for charities the compulsory or voluntary register would supersede that scheme. He touched on my objection in Committee about the confidentiality of information, although I do not think that he has gone as far as I would have liked him to have done to reassure us. Just because it is a registered charity that has access to the register, that does not necessarily act as a tight limit on the number of people who could access that information. We need to be careful that we do not provide a window that people will use to commit fraud or to go on fishing expeditions for personal information. I do not think that the assurances that he gave dealt with that point.

The other important aspect that the hon. Gentleman did not touch upon is how much this will cost. We are being asked to establish a register for charities, which could be an expensive process. It would require banks to put data away to enable them to transfer it across to the register and there would be a registrar who would look after the register, which would have to be updated regularly and made available. There would be systems costs, input costs and data protection costs. One of the merits of the current scheme is that it should be a relatively lower-cost operation compared with a compulsory scheme, because every extra pound that is spent on administration is a pound less for the good causes specified later in the Bill. I am concerned that we have had no explanation of the cost of the scheme. The hon. Gentleman may return to that in winding up; I do not know. Perhaps his opening speech was just a warm-up for his conclusion.

The question is whether this is a remedy proportionate to the potential loss that charities face. Part of the problem is that we do not have a sense of how much money is at stake here for charities. No hon. Member would want to see a disproportionate solution being proposed to the concern that charities will lose out as a consequence of the Bill because they will not have the power to search for bequests.

It is helpful to note that the British Bankers Association has offered to work with the charities to try to identify the scale of the problem. That would enable the charitable sector, the banks and the Treasury to determine whether there is a significant problem that needs to be tackled. That could be picked up formally through new clause 3(1)(b) which states that the Treasury can review

"the effectiveness of the efforts made by financial institutions to secure that those entitled to the money in inactive accounts are made aware of the fact."

It would fall within that new clause to check whether charities are losing out and by how much, and therefore to determine what action can be taken to improve the flow of money through to charities. There is a strong argument that the charitable sector may lose access to funds as a consequence of the arrangements in the Bill, but I have yet to be convinced that the hon. Gentleman's proposed mechanism would be a proportionate response to the problem, and that it would contain adequate safeguards. There is a risk that, actually, it would undermine the voluntary nature of the Bill, and that the cost of operating the scheme would be such that it would reduce the amount of money to be made available to other good causes.

Ian Pearson: New clause 1 proposes giving the Government a power to establish a central register and to put in place specific arrangements regarding charitable legacies. The Government share several of the concerns expressed by the hon. Member for Fareham (Mr. Hoban). I was disappointed that he did not want to accept new clause 3, but it seems that, on new clause 1, we are thinking along similar lines. We debated the issues at length in Committee in the light of a similar amendment, and I am happy to set out our strong belief in the importance of effective reuniting arrangements and our commitment to ensuring a scheme that is effective, transparent and, above all, fair for consumers, and our legitimate concerns about the implications of the new clause for consumers and for human rights.

I recognise the position of some representatives of the charitable sector, including the Unclaimed Assets Charity Coalition, and I welcome its contribution to

the debate and pay tribute to its valuable work. All parts of the House share a commitment to ensuring that charities get money that is rightfully theirs. Naturally, I welcome all constructive suggestions about how industry reuniting arrangements might be further improved, and I should welcome discussions between the British Bankers Association, the Building Societies Association and the charities to see what more can be done.

Mr. Walker: I know that this issue was gone over in Committee and in another place, but is the Minister aware that charities are concerned that, in effect, they will be cut out of the loop and lose 5 per cent.—potentially—of the legacies in the dormant bank and building society account fund? Would it not be better for 5 per cent. of the fund to be earmarked for distribution to charities? Is it not something that the Minister might consider at this late stage?

Ian Pearson: I heard the hon. Gentleman make that suggestion in his contribution, and if he feels that strongly about it, I am surprised that he has not tabled an appropriate amendment for discussion today.

Naturally, we welcome all constructive suggestions about how relationships can be improved, and my understanding of the charities movement is that, yes, it has some concerns. It wants to continue putting pressure on banks and building societies to do all they can to ensure that there are simpler arrangements so that the movement can get its rightful money. However, I must stress that, as my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) pointed out, the issue is not just about charities. The key question is, how do we ensure that the rightful owners of dormant accounts are reunited with their property so that only genuinely dormant accounts are transferred to the scheme? The proposals are right and fair for customers, because, after all, it is their money. Whether it involves the estates of deceased persons, or individuals who have simply forgotten where they have put their money, both have similar rights, and we must continue to focus on reuniting them with the property that is rightly theirs.

The Government welcome the commitment of the banks and building societies to a major reunification exercise in the run-up to the scheme becoming operational, and, in particular, we welcome the launch by the British Bankers Association, the Building Societies Association and National Savings & Investments of the "mylostaccount" website in January, to which Members have already referred. Almost 190,000 people have already used this free cross-industry service to reunite themselves with tens of millions of pounds. We welcome the commitment of individual institutions to institution-by-institution efforts to reunite. We have seen the fruits of that through high-profile efforts by HBOS, Lloyds TSB, HSBC and Nationwide.

My strong advice to individuals who think that they might have a bank, building society or national savings account or premium bonds of which they have lost track is that they should go to www.mylostaccount.org.uk. The service is free; people tap in their basic information—name and current and previous addresses—and can make multiple searches for free. If people are owed money from such accounts, they can find where it is and get access to it. They need not go to commercial fee-charging services for the privilege; the process is simple.

The "mylostaccount" website already allows executors, nominated representatives and even beneficiaries of wills to conduct searches for lost accounts. Executors can ensure that anyone or any institution, including charities, due legacy income from moneys in dormant accounts receives their entitlement. I would expect an executor, as part of the reasonable steps that they should take, to go to the minimal trouble of visiting the website, feeding in basic information and checking whether any money of which they are not aware is due to the relevant heirs and successors. That would be an eminently reasonable and proportionate step for executors to take.

The current arrangements are working and will continue to be effective in allowing people to be reunited with their money. We will, of course, keep the matter under review; the review clause on which we voted a few moments ago will include a review of the effectiveness of reuniting arrangements, so the issue will not be forgotten. However, I should like to repeat the concerns that I set out in Committee about a register and the power to introduce one. First, it is important to recognise that financial institutions must respect the confidentiality of the information that they hold about their customers. Transferring such information to a central source would in effect require banks to breach that confidentiality; it is difficult to see how that would be compatible with the framework of current UK law on confidential information and data protection, and it would raise human rights issues. I am not saying that it would be impossible to do that but, as the hon. Member for Fareham suggested, it would raise significant issues about the overall design of the scheme. The hon. Member for Taunton (Mr. Browne) said that other countries had similar schemes, but obviously he is aware that other countries have compulsory schemes, whereas we are proposing a voluntary scheme.

John Hemming (Birmingham, Yardley) (LD) *rose—*

Ian Pearson: The hon. Gentleman has just walked in; if he sits down and is patient, I might give way to him in a moment.

Let me just make this basic point: other countries have compulsory schemes and their registration schemes are part of that. If we had a registration scheme, a number of issues would be raised. How would the register be enforced and monitored? What would be the legal penalties for non-compliance? Those major issues would have to be dealt with through additional primary legislation, so we could not take such a step lightly. Furthermore, significant amounts of data would be moving to a different system. At the moment, individuals can interrogate the current banking system, with all its firewalls for confidentiality, through the "mylostaccount" website. Having a registration scheme would mean that all the personal information of the depositors of accounts worth about £400 million to £500 million would have to be transferred to a registrar who would operate a new scheme, and that would raise serious data protection issues. As the hon. Member for Fareham suggested, it would also raise significant cost issues by placing a significant administrative burden on the scheme.

Fundamentally, I do not believe that we as a Government should be taking the reserve powers suggested by the hon. Member for Taunton, which are not necessary. Nor are they desirable, because they would challenge the fundamentally voluntary nature of the scheme, raise

[Ian Pearson]

serious data protection and confidentiality issues and, in the view of some people, raise concerns about the potential for fraud. Including these powers in legislation would not be a good use of parliamentary time. They would have significant implications for future primary legislation, because they could not be created by this provision alone but would require further clauses to be inserted into this Bill or, probably, an extensive consultation period and a completely new additional Bill. For those reasons, I invite hon. Members to oppose new clause 1.

5.30 pm

Mr. Jeremy Browne: I wish to follow up on a few points from our short debate on new clause 1.

The hon. Member for Wolverhampton, South-West (Rob Marris) asked who were the magnificent seven who put their names to the new clause. I will run through them: my hon. Friend the Member for Twickenham (Dr. Cable), the right hon. Member for West Dunbartonshire (John McFall), and the hon. Members for Norwich, North (Dr. Gibson), for Clwyd, South (Mr. Jones), for Broxbourne (Mr. Walker) and for Bromsgrove (Miss Kirkbride). I have obviously missed out myself as an important signatory, but I notice from the amendment paper that it is in fact the hon. Member for Bromsgrove who is missing. We are both no doubt pleased to have our names attached, but that is a matter for the record, and I will turn to the more substantial points.

Genuine and reasonable concerns have been raised about the confidentiality of the information about account holders. Charities would search against the register using their name, date of birth and last known address, so any match would allow them only to contact the financial institution to undertake a claim in the normal fashion. They would not be giving out reams of information about the bank account holder in the way that some Members fear. I reiterate that this has been tried and tested in other countries, where those fears have not been borne out.

I was asked whether the scheme would be voluntary. I suppose that, going with the grain of the Bill as a whole, that is likely to be the case. However, it would, to some extent, be voluntary in name only, because most of the institutions, with regard to the Bill as a whole, feel a degree of compulsion to be involved with the scheme, even if it is a moral rather than a legislative compulsion. I remind Members that the first line of the new clause says:

"The Treasury may make regulations as are necessary for the establishment, maintenance and operation of a register of dormant account funds".

It would not compel anybody to do anything, but it would provide that facility.

Mr. Walker: Does the hon. Gentleman accept that a register may well be complicated, and that if the Government do not like that complication, then why not, instead of giving the Big Lottery Fund 100 per cent. of the moneys contained in the dormant bank or building society account held by a third party, give it 95 per cent. and earmark 5 per cent. for distribution to charities?

Mr. Browne: That is an interesting alternative suggestion. Although it is not contained in the new clause, I imagine that the hon. Gentleman shares my concern about trying to ensure that the money intended for charities reaches them to the maximum degree.

I was asked whether this provision would be additional and complementary to the website or would replace it. I think that it could and should be complementary.

Points were raised about the cost. There would be a cost but, as the hon. Member for Broxbourne implied, there is currently a cost to the charities, who fear that they may not be united with money that was intended for them. Of course there would be an administrative burden if we were to set up a register, but one would hope that the total amount of money realised for charities would exceed the cost of administering the scheme many times over.

Rob Marris: In his opening remarks, the hon. Gentleman said that there were compulsory registers in Ireland and Canada. Can he give us an indication of the cost of running those registers, by way of comparison?

Mr. Browne: No, because I do not have that information available. Ireland, for example, has a far smaller population than ours—it is about 5, 6 or 7 per cent. the size of that of the UK—so there would be difficulties in making a direct comparison. There may be economies of scale in running such a scheme in a country with a much larger population, such as our own. The parallels are not absolute in that the scheme in the new clause is voluntary. My earlier point was that Canadian and Irish residents are similarly concerned about data being used appropriately, but as far as I am aware, that process has not proven to be a great problem in those countries.

In conclusion, under the House's decision to adopt new clause 3, a provision has been made for a review. It seems appropriate to those in my party that the Treasury take on that power. It may have a register—it is under no obligation to do so, but that would be a reasonable part of any review that the Treasury can decide to have, thanks to the earlier vote. We are seeking to complement the process, and go in the same direction as the Government. Overwhelmingly, we are putting forward the voice of the charitable sector, which has made many representations to us, and is broadly supportive of the new clause. On that basis, I ask hon. Members to support it.

Question put, That the clause be read a Second time:—

The House divided: Ayes 36, Noes 245.

Division No. 307] **[5.31 pm**

AYES

Breed, Mr. Colin	Howarth, David
Brooke, Annette	Hughes, Simon
Browne, Mr. Jeremy	Huhne, Chris
Bruce, rh Malcolm	Hunter, Mark
Burstow, Mr. Paul	Kramer, Susan
Cable, Dr. Vincent	Lamb, Norman
Corbyn, Jeremy	Leech, Mr. John
Featherstone, Lynne	Llwyd, Mr. Elfyn
Goldsworthy, Julia	Mulholland, Greg
Harris, Dr. Evan	Oaten, Mr. Mark
Harvey, Nick	Pugh, Dr. John
Holmes, Paul	Rogerson, Dan

Rowen, Paul
Sanders, Mr. Adrian
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny

Tellers for the Ayes:
Bob Russell and John Hemming

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Clapham, Mr. Michael
Clark, Paul
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Michael *(Worcester)*
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McIsaac, Shona
McKechin, Ann
Meale, Mr. Alan
Michael, rh Alun
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Dave Watts and Steve McCabe

Question accordingly negatived.

Clause 5

FUNCTIONS ETC OF A RECLAIM FUND

Mr. Hoban: I beg to move amendment No. 10, page 4, line 42, leave out subsection (4).

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments: No. 12, page 5, line 1, at end insert—

'(4A) Where the Treasury gives a direction under subsection (4), that direction shall be published within 28 days of it being given.'.

No. 11, in schedule 1, page 16, line 32, at end insert—

'(ca) the name of each bank and building society listed in the FSA Register in respect of which no monies were transferred to the fund.'.

Mr. Hoban: Two of the amendments in this group relate principally to the operation of the reclaim fund. In relation to the debate on how the fund will work, the Treasury has made it clear from the outset that this is a voluntary arrangement, and that the fund would be a private company set up by the British Bankers Association and the Building Societies Association to manage the transfer of money into the reclaim fund. It will also manage the reclaim process and determine how much money will be passed across from it to the Big Lottery Fund.

My concern is that, under clause 5(4), the Treasury will have the power to give a direction to the reclaim fund requiring it

"to give effect to any specified object that it has"

or

"to comply with any specified obligation or prohibition imposed on it by a provision that its articles of association are required to make under Schedule 1."

In Committee, the Minister said that it would be the sole responsibility of the Financial Services Authority to regulate the reclaim fund for prudential purposes, and that the fund would be authorised by the FSA. That is fine, and we can understand the reasons for the limits on that involvement. However, there is still a requirement for the Treasury to give directions.

In Committee, we tabled an amendment proposing that, when such directions were given, they should be subject to parliamentary approval. The Government opposed that amendment, but we were reassured that these powers would be deployed only as a last resort. It is difficult, therefore, to work out why the Government were so reluctant to allow parliamentary scrutiny in this area. Indeed, when we pressed the Minister on the circumstances in which the power would be deployed, he said that the Government did not have any particular area specifically in mind, because they did not anticipate any problems.

So, we have a power that the Government do not believe will be used, and they do not believe that its use should be subject to parliamentary scrutiny. I could accept the power to give directions, if it were to be subject to parliamentary scrutiny, but I do not accept it without such scrutiny. This is an unsatisfactory situation. I have therefore tabled amendment No. 10, which proposes to omit subsection (4) of clause 5, which would make the measure more in keeping with the spirit of the legislation, namely that the reclaim fund is to be a private company established by the BBA and the BSA, and that it should operate as such, without Ministers having the power to give directions to the company to force it to act in a particular way.

Amendment No. 12 deals with this issue in a different way. It proposes that, when the Treasury gives a direction under clause 5(4), that direction should be published within 28 days of its being given. If there is to be no parliamentary scrutiny, and if these powers are to remain part of the Bill, there should at least be some publicity given to the direction. Accepting this amendment would not be a big step for the Government to take, if they believe that the powers are absolutely essential for them to have. They should not be afraid of publicising such directions. Indeed, elsewhere in the Bill, there are provisions for directions to be given to the Big Lottery Fund, and such directions will be publicised through the Big Lottery Fund's accounts. So there is a clear role for the publicising of directions.

Amendment No. 12 would provide a vehicle—although not as good a vehicle as a statutory instrument—for Parliament to scrutinise the Treasury's use of the power of direction. Members of Parliament would be able to ask questions, and the Treasury Select Committee would be able to investigate the Treasury's use of the power. A softer scrutiny element is therefore involved. The amendment is a perfectly reasonable proposal to achieve some level of parliamentary scrutiny, if the Government are so wedded to keeping on the statute book a power that, at the moment, they do not expect to use.

Amendment No. 11, which goes back to an issue that we discussed in Committee, concerns the level of publicity that should surround this part of the scheme. Schedule 1(3) contains a provision for the reclaim fund to publish certain information in its accounts. At the moment, that information is limited in four ways. The fund must publish its accounts and reports in accordance with the Companies Act 2006. It must publish

"the name of each bank and building society that transferred money to the fund in that year, and the amount transferred by each one".

It must publish

"the name of each bank and building society in respect of whose accounts payments were made from the fund in that year following repayment claims and, in relation to each of those banks and building societies, the total of the payments made".

It must also publish

"the total amount transferred in that year to the body or bodies for the time being specified in section 15(1)."

However, that does not include a requirement to name and shame, by saying which institutions have not contributed to the reclaim fund. As part of the series of measures that we need to take to ensure maximum scrutiny, and to ensure that we know that institutions are taking seriously their commitment to be part of this voluntary scheme, the reclaim fund should make it clear in its accounts which institutions have not contributed to it.

When we debated this in Committee, the Minister argued that it was not the job of the reclaim fund's horizon scan to find a list of banks and building societies, and to determine whether or not they had contributed. He said that the FSA had a register of such entities. I have learned a lesson from my previous drafting experience, which is why amendment No. 11 refers specifically to

the list of banks and building societies that the FSA will hold in its register. The reclaim fund would therefore not have to do any horizon scanning; it would simply have to compare the list in the register with the banks and building societies listed under paragraph 3(1)(b). Those that were not so listed would be listed under proposed new paragraph 3(1)(ca), which would tell us exactly which had not contributed to the scheme. That measure would maintain keep the spotlight on those institutions that had not co-operated with the scheme.

These are three very reasonable amendments. Amendment No. 11 is about scrutinising who has not contributed to the scheme. Amendments Nos. 10 and 12 give the Minister some choice: either to take out the powers in the Bill or to require the Treasury to publish the direction within 28 days of publication. The Minister will have his own views, and I suspect that he is minded to reject both, but given that the Government rejected parliamentary scrutiny of the direction—in the Minister's words, it is the "ultimate sanction"—there needs to be some check on the Government. If they are not prepared to accept such a check, amendment No. 10 is the right road to go down.

6 pm

Rob Marris: Let me reverse the position of amendment No. 10 for a moment. If clause 5(4) were not in the Bill—precisely what the amendment is designed to achieve—and I moved an amendment to put the wording of subsection (4) back into the Bill, I suspect that the Government would respond by arguing that it was unnecessary and there was no need for it—*[Interruption.]* The hon. Member for Fareham (Mr. Hoban) is looking puzzled; I am saying that if I attempted to insert that wording into the Bill, the Government would probably say, "We don't need it; it is redundant", as they often do in respect of amendments coming from both sides of the House. We are told that we do not understand and that there is no need for the amending provision.

If I ask what clause 5(4) does—if, as one anticipates, the Government resist amendment No. 10, which would remove that provision—the answer is that it gives the Treasury a power that I suspect it needs, because I cannot see anywhere else in the Bill where it defines who the members of the reclaim fund are. It will be a company, which has to have members—the shareholders—although I know that the Bill provides that they are not going to get dividends. It seems to me that clause 5(4) is needed on account of this lacuna, whereby the members of "the" or "a" reclaim fund are not specified.

I appreciate from paragraph 51 of the explanatory notes that the

> "British Bankers' Association and Building Societies Association have committed to lead on the selection or establishment of a body to act as a reclaim fund."

However, when the Minister responds to the blandishments of the official Opposition on amendment No. 10, I hope that he can elucidate that and clarify whether I am right that clause 5(4) is necessary because the Bill does not specify who the members of a reclaim fund should be. It would be for the members of that fund to carry out enforcement if the directors failed to give effect to specified objects or to comply with the provisions in the memorandum of association and articles of the fund. Usually, one would expect the members of the company—with a limited guarantee or otherwise—to be responsible for enforcement. It is for them to say, "You are not complying with the rules of our organisation or company. As directors, you should be, so if necessary we will take you to court to get you to comply". If one does not know who the members are, however, one cannot say that the watchdog power exists, which is why subsection (4) is necessary.

Mr. Hoban: If it were that simple, the Minister would have said that in Committee, but let me quote what he did say, as the hon. Gentleman did not have the pleasure of serving on it. The Minister said:

> "We do not have particular areas specifically in mind because we do not anticipate any problems. This is a voluntary scheme. A private company is going to be set up in accordance with the legislation, and we have confidence that it will appoint people who will run the reclaim fund in an effective way."—[*Official Report, Dormant Bank and Building Society Accounts Public Bill Committee,* 14 October 2008; c. 17.]

The Minister clearly had confidence that the members would be correctly chosen by the British Bankers Association and the Building Societies Association, but even that obvious statement does not quite explain why this power is in the Bill.

Rob Marris: I am grateful to the hon. Gentleman for that helpful intervention, but taken as a whole—I name no individuals—the track record of British bankers over the past two years in running a tight ship within their organisations has not exactly been a stellar one. According to the *Hansard* excerpt which the hon. Gentleman helpfully read out, the British Bankers Association and the Building Societies Association will set up one or more reclaim funds that could—I stress the word "could"—become a cosy little club that does not regulate itself properly, does not comply with its memorandum or articles of association and does not comply with the objects of the reclaim company. In that case, clause 5(4) is therefore necessary and amendment No. 10 should be rejected.

If my analysis is correct, it raises the question why the legislation does not offer a little more clarity on who the members of a reclaim fund company should be. It also suggests that the Treasury should, in some guise, be a member—not the dominant member, but a member—of a reclaim fund so that in its role as a member, it could enforce compliance with the memorandum and articles of association were the directors to fail to comply.

I hope that the Minister will set my heart at rest as to why clause 5(4) is in the Bill and explain that, although it should not be part of the Bill, its inclusion is necessary because of the lacuna in respect of lack of enforcement that follows from our not knowing who the members are.

Mr. Walker: This is an interesting set of amendments. When the Bill becomes an Act, it will result in the establishment of a reclaim fund, which will be a limited company. If it is to carry the support of the public, the operation of the scheme must be transparent and its decisions, as well those participating in the scheme, must be subject to scrutiny. We will look into that in three years' time, but what we will really want to know is which banks and building societies are foot dragging and are choosing not to participate. If we know who they are and we can benchmark them against those who are participating, we could bring them before the Treasury

[Mr. Walker]

Select Committee, for example, which could then ask them directly why they are not participating in the voluntary scheme.

It may be that banks and building societies have very good reasons not to participate, but equally it may be that they frankly cannot be bothered. Only through public scrutiny and public opprobrium can we bring them to the table. I say "only", but there is, of course, another mechanism: statutory regulation. In that case, after three years, the House says, "You organisations are not pulling your weight. We have tried the voluntary route, but we are now going to go down the compulsory route—and you will participate in this scheme." That would be a great shame, but it could happen.

As for the Treasury's direction of this limited company—the Treasury's right to direct it—it would be helpful if the Minister put some scenarios before the House to explain why or when the Treasury might wish to exercise such power. After all, having served in Committee, I believe I am right to believe that the Bill allows for the establishment of a limited company that would be regulated by the Financial Services Authority. Only extreme circumstances would allow the Treasury to start to interfere in day-to-day operations, but we know that such circumstances arise, as we have seen recently in the banking sector—I sincerely hope that this rather small organisation does not experience the same type of crisis in two or three years' time.

I listened to the hon. Member for Wolverhampton, South-West (Rob Marris) and I heard his concerns, so I think it would be helpful if the Minister brought us in on some of the conversations he has had with his civil servants on what circumstances might trigger a direct intervention from the Treasury. If nothing else, that would put our minds at rest.

Mr. Jeremy Browne: I rise to say briefly that I agree with the hon. Members for Broxbourne (Mr. Walker) and for Fareham (Mr. Hoban) that amendments Nos. 10 and 12 propose a bit of an either/or provision. Speaking as one who wants the greatest degree of independence and transparency, however, I believe that going down one of the proposed paths would further those objectives. The public need to enjoy confidence in an organisation. They need to believe that it will not be unduly manipulated or directed by the Treasury, but will be able to operate with a bit more freedom of spirit.

As was said earlier, it would be helpful to know something about the composition of the group. I do not think that it should be seen as merely a wing of the Treasury. It would be helpful if the Treasury provided a direction, or even instructions, to the effect that the group should be open to scrutiny by Parliament and by the wider public, and we should be able to know the basis on which such orders were given. I consider that amendments Nos. 10 and 12 would further those objectives, and are laudable for that reason.

Amendment No. 11 is slightly different. It would name and shame those who chose not to participate. I instinctively take the view that schemes of this sort should be voluntary rather than compulsory, because I tend to regard compulsion as undesirable unless it is wholly necessary. However, as the hon. Member for Broxbourne pointed out, if a stage is reached when most banks and building societies are demonstrating good will—making it clear that they want the scheme to work and want to support, indirectly, the projects for young people on which it is envisaged that a large amount of the money will be spent—while others are not participating, not for good reasons but because they regard the scheme as burdensome, unnecessary and not part of their core business, it seems reasonable for us parliamentarians, and the public as a whole, to know which banks are entering into the spirit of the enterprise and which are not.

Mr. Walker: It is quite simple: a list of participants should be published, and if the name of a building society or bank does not appear on it, shareholders, Ministers and Back-Bench Members of Parliament should be able to ask questions about its absence.

Mr. Browne: Unless I have misunderstood it, the amendment proposes the publication of a list of banks and building societies that have not participated, rather than a list of those that have done so—although for those with a good knowledge of the sector, the end result would be the same.

Mr. Hoban: Let me clarify the proposal for the benefit of the hon. Gentleman and my hon. Friend the Member for Broxbourne (Mr. Walker). The amendment would ensure that the accounts of the reclaim fund listed those who had participated in terms of the amounts that they had transferred, but also listed those who had not participated.

Mr. Browne: That is a helpful clarification. It would obviously be much easier for a member of the public to identify the offending banks—those that had not entered into the spirit of the legislation—if there were a list of banks that had not participated rather than a list of those that had, which would mean trying to work out which names were not on the list. This is difficult territory. It could be argued that if a scheme is made voluntary and huge moral pressure is then put on bodies to comply, it is voluntary in name only.

Mr. Walker: In essence, what my hon. Friend the Member for Fareham (Mr. Hoban) is rightly demanding is a factual demonstration of, and factual information on, the state of play.

Mr. Browne: Absolutely. We are not making a moral judgment about the names on the list, although others may seek to do so; we simply want factual information on whether the institution in question has chosen to participate in the scheme. The hon. Gentleman made a good point when he said that the Treasury Committee, for example, could invite non-participating institutions to appear before it and discuss why they did not wish to comply. They might, of course, have good reasons. The scheme might not be working as we expected it to when we passed the legislation. The group with most cause to reflect on why the institutions were not participating might be not the institutions themselves, but the Members of Parliament who had established rules that did not work as they had wished. That would, I hope, emerge in the review in three years' time, and might make the scheme more attractive to those who had not participated but did not object, in principle, to doing so.

I suspect, however, that other institutions would not have participated because they did not see participation as a core function of their organisation. I suppose that they would be right in that view, but nevertheless they would not have been willing to give up the time or effort to demonstrate the good will that would be part of complying with the scheme. They would see the benefits to society as a whole as conferring no immediate benefits to them, and would therefore regard participation as a waste of their time. That strikes me as a far less attractive reason for non-participation.

All that amendment No. 11 does is enable the information to be put before us. We should not automatically draw conclusions from the composition of the list, but it would enable us and the wider public to ask further questions that would be useful in revealing the motives of organisations that had sought not to participate.

For all those reasons, I consider the amendments interesting and helpful, and I hope that the Government will view them with an open mind.

6.15 pm

Ian Pearson: Clause 5(4) contains a direction-making power as an ultimate safeguard allowing the Treasury to take action to ensure that a reclaim fund complies with its company objects and articles of association. We discussed the clause in Committee, and I am grateful for the contributions that were made then. I emphasise that the direction does no more than require the reclaim fund to give effect to, or comply with, requirements to which it is already subject under the Bill, which place restrictions on its objects and articles of association, and which will have been approved by Parliament. In other words, the fund must comply with the law.

Let me explain why I believe the direction to be a necessary part of the Bill, and respond to what has been said by my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) and others. The Financial Services Authority will authorise the reclaim fund, and establish ongoing prudential regulation to ensure that it has enough money to repay customers. That is in keeping with its role as a financial regulator, and with its consumer protection role. However, the FSA is not expected to go beyond its statutory objectives and make rules governing other areas of the fund's operations.

The Government do not intend to use the direction-making power to involve themselves in the day-to-day running of the reclaim fund and the management of its money. That will be the sole responsibility of the FSA, which will regulate the reclaim fund for prudential purposes. This power is different: it is an ultimate sanction that the public will rightly expect us to have to ensure that the reclaim fund functions in accordance with our legislation in areas that the FSA will not regulate for prudential purposes.

Opposition Members invited me to be specific, so let me give two examples. The first concerns the requirements in schedule 1 relating to the publication of information by the reclaim fund. A private sector company might decide for some reason that it did not want to make public the information whose publication is required by the schedule. Such publication would not be part of ordinary prudential regulation, but would clearly be desirable in the interests of transparency. I have no reason to doubt that a company would want to publish its accounts, but I think it right for us to provide that ultimate safeguard as a back-up.

My second example involves the reclaim fund's use of money to cover reasonable running costs. That too might not be covered by an ordinary prudential regulation regime, and might therefore fall outwith the FSA's powers. If we considered that a company was acting unreasonably and in an excessive way, we would think it right to take action. That would not be covered in normal circumstances. I do not think that it is likely to happen, but I think that we should have powers to act in that unlikely event. I stress that the powers would enable us to act in wholly exceptional circumstances, when serious concerns arise about the behaviour of the reclaim fund which are not covered by the prudential regulatory regime, and when we believe that the Government are required to act.

Rob Marris: In my experience, we in this Chamber do not generally pass provisions in Bills that simply say, "Thou shalt comply with the law." Instead, we set out what the law is in our democracy, after which it passes through Parliament—and very often it includes sanctions to encourage people to comply with the law and to extract penalties if they fail to do so. Clause 5(4) is therefore a curious measure, because it simply says, in terms, "Thou shalt comply with the law", albeit the law and the rules of the company. This returns us to the question I put earlier, which I hope my hon. Friend might address: who are to be the members of the company?

Ian Pearson: I understand my hon. Friend's point, but let me explain what we are doing. We are setting up a reclaim fund which will be a private company. We have made it clear that it is not the Government's intention to appoint members of the reclaim fund, and clause 5(4) does not allow the Government to do that. As a private company, the reclaim fund will also have to comply with company law, and we would expect it to have the highest standards of corporate governance. There might be instances in which that is not the case, however, which is why we think these powers are needed as an ultimate sanction. We do not expect to use them, and let me emphasise again that day-to-day issues are matters for the company's directors and members.

Mr. Walker: I thank the Economic Secretary for the reassurances he gave me a few moments ago. Will it be for the company to set direct remuneration at the outset, or will it receive guidance from the Treasury?

Ian Pearson: That will essentially be a matter for the company, because it is a private company. I imagine that discussions will be held between members of the Treasury and members of the reclaim fund, and that they will also include the Financial Services Authority, which has some overall responsibilities with regard to remuneration. Let me emphasise again that we expect the reclaim fund to be run in accordance with our legislation, FSA regulation and company law, and for it to meet the highest standards of corporate governance, but we need the power to ensure that that is the case, which is why we shall invite Members to reject amendment No. 10.

Rob Marris: My hon. Friend refers to clause 5(4) as being the ultimate sanction, but the provision itself simply refers to "a direction". Usually when the House talks about sanctions, they are specified, as with a fine of up to level 5 in a magistrates court, for example. A criminal penalty, or a mechanism for determining such a penalty, is usually specified in such Bills. That is what I regard as a sanction. I do not regard the phrase "give a direction" as a sanction, however. If we reject amendment No. 10, as I suspect we will, and retain clause 5(4), I shall be unsure what sanction would be imposed if a reclaim company failed to follow such a direction.

Ian Pearson: It is my understanding that the normal parliamentary use of the word "sanction" is such that it can include a range of measures; there might be penalties and fines, but others might also apply. Perhaps I am using the word loosely in this circumstance, but the direction in question is clearly a power to direct a company to conform with its articles of association under the law.

Amendment No. 11 would add the requirement for the reclaim fund to include in its articles an obligation to publish the names of all banks and building societies on the FSA register in respect of which no moneys were transferred. As I said in Committee, I have reflected carefully on the debate about having a requirement to publish a list of non-participants, and I am grateful for the opportunity to address the point again today. We remain committed to doing everything we can to ensure that the scheme is transparent. Our scheme already places comprehensive requirements on the reclaim fund to publish information about how the scheme is working, including the following: a list of participating institutions; the amount of money that is going to be transferred into the scheme, by individual institution; the amount of money reclaimed by account holders post-transfer, by individual institution; and the amounts transferred to the Big Lottery Fund. The Government's amendments in Committee also require the reclaim fund to publish its annual accounts and company reports as soon as possible after the end of the financial year.

I hope that that demonstrates that we have listened to the debate and are seeking to reinforce the transparency of the scheme where it is possible to do so, but I remain of the view that we should not go further and require the reclaim fund to publish a list of non-participants drawn from the FSA online register of all FSA-authorised institutions. On one level, that would be unnecessary. The names of all banks and building societies operating in the UK are available from the FSA's website. The FSA currently publishes a bespoke list of banks, which is updated on a monthly basis, and a list of building societies is also accessible from its website via a simple search of its online register, which is updated every day. New requirements, in addition to the material published by the FSA, would place an unnecessary burden on the reclaim fund. If the reclaim fund were obliged to recreate or redesign the FSA's lists, it would effectively have to monitor the market, as the regulator currently does, for firms entering and exiting the market, and that is not its function.

On the amendment, I am concerned about the unintended consequences of naming and shaming institutions that appear on the FSA register but are not participating in the scheme, because some might be eligible to participate but not be in possession of dormant accounts to transfer into the scheme. Banks may be FSA-authorised to accept retail deposits, but may not currently undertake this activity, or they may not have a book going back as far as 15 years. More than 300 banks and building societies are authorised as deposit takers by the FSA. Among them, there may be institutions without dormant accounts. Such a requirement would not be useful for consumers or fair for the individual institutions. Requiring the reclaim fund to publish a more refined list of institutions would be an additional and unreasonable burden on it.

Before moving on to amendment No. 12, let me clarify the position I outlined on remuneration in response to a question from the hon. Member for Broxbourne (Mr. Walker). Expenses must be reasonable, as set out in schedule 1, and the reclaim fund will make this transparent. On the point about sanctions raised by my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), if the reclaim fund failed to comply with legislation, the Government would have the power to seek an injunction from the court to ensure that that was rectified.

On amendment No. 12, I am inching towards what the hon. Member for Fareham (Mr. Hoban) had to say. The amendment would require the Treasury to publish its direction-making powers. This provision was set out in the memorandum to the Delegated Powers and Regulatory Reform Committee, which did not comment on it in its report. We therefore do not feel that there is any particular reason to include in legislation a requirement that any direction be published. As I have said, although we do not expect to use this power, I am not aware of any likely reasons why, if we were to do so, it should not be made public to the House in the form of a written or oral statement, without having put a requirement in the Bill for it to be published. We could return to this matter in the other place, but I do not think it is a substantive issue, because we do not expect to use this power, and if we were to do so, we would want to be clear about why we were using it and make statements in the usual way.

Mr. Hoban: May I deal with some of the comments that the Minister made? Amendment No. 11 proposes the publication of the names of the banks and building societies that have not contributed to the reclaim fund. I do not mind if they have to explain to the public why they have not contributed. If their argument is that they do not have dormant accounts or retail deposits, that is a fine explanation. I am more interested in those that have dormant retail accounts and do not make transfers to the reclaim fund. It should be easy for people to identify those institutions, and that is why I tabled the amendment.

6.30 pm

On amendments Nos. 10 and 11, we are in the curious position of having a power that the Government do not expect to use. It is very difficult for the Minister to define when they would use it. When challenged by my hon. Friend the Member for Broxbourne (Mr. Walker) on remuneration, the Minister pointed out that schedule 1 requires the fund to incur only reasonable expenses and said that the FSA could look after remuneration. I

am not sure that the FSA's responsibilities in respect of prudential supervision flow as far as board directors' remuneration.

There is a gap, because the Bill contains powers that the Minister is not prepared to submit to parliamentary scrutiny through the statutory instrument process; he does not know when those powers will be used; there may be other people who can exercise those powers; and, as he said in response to the intervention by the hon. Member for Wolverhampton, South-West (Rob Marris), there are other ways, such as through an injunction, in which the Government could take action against a company that breaches its articles of association. The sanctions are available through a different route if the Government need to take action against the company.

I do not think that the Minister has made a persuasive case for the powers to be in the Bill. He would have made a more persuasive case if he had decided that they needed to be subject to parliamentary scrutiny, and on that basis, I urge my colleagues to vote in favour of amendment No. 10.

Question put, That the amendment be made:—

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Alan Haselhurst): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 173, Noes 236.

Division No. 308] **[6.32 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Butterfill, Sir John
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evennett, Mr. David
Fallon, Mr. Michael
Featherstone, Lynne
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
Gibb, Mr. Nick
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Noill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Paice, Mr. James
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. John Baron and Mr. Philip Dunne

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Butler, Ms Dawn
Byers, rh Mr. Stephen

Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Clapham, Mr. Michael
Clark, Paul
Clelland, Mr. David
Coaker, Mr. Vernon
Colley, Ann
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Foster, Mr. Michael *(Worcester)*
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Havard, Mr. Dai
Healey, John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keen, Alan
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McIsaac, Shona
McKechin, Ann
Meacher, rh Mr. Michael
Michael, rh Alun
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moon, Mrs. Madeleine
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Trussell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Usher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Helen Goodman and Chris Mole

Question accordingly negatived.

Clause 16

APPORTIONMENT OF DORMANT ACCOUNT MONEY

Simon Hughes (North Southwark and Bermondsey) (LD): I beg to move amendment No. 8, page 9, line 17, after 'State', insert

'no later than 1st March in the preceding financial year'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 5, in Clause 17, page 9, line 31, after 'meeting', insert 'revenue or capital'.

No. 6, page 9, line 31, after 'of', insert 'existing or new'.

No. 7, page 9, line 38 , at end insert—

'(1A) At least three-quarters of the dormant account money for meeting English expenditure distributed in each financial year shall be distributed for the purposes set out in (1)(a) above.'.

No. 1, in Clause 18, page 10, line 5, at end insert—

'(1A) Any order made under this section shall ensure that at least half of the distribution of dormant account money for meeting Welsh expenditure must be made for meeting revenue or capital expenditure on or connected with the provision of existing or new services, facilities or opportunities to meet the needs of young people.'.

No. 2, in Clause 19, page 10, line 15, at end insert—

'(1A) Any order made under this section shall ensure that at least half of the distribution of dormant account money for meeting Scottish expenditure must be made for meeting revenue or capital expenditure on or connected with the provision of existing or new services, facilities or opportunities to meet the needs of young people.'.

No. 3, in Clause 20, page 10, line 25, at end insert—

'(1A) Any order made under this section shall ensure that at least half of the distribution of dormant account money for meeting Northern Ireland expenditure must be made for meeting revenue or capital expenditure on or connected with the provision of existing or new services, facilities or opportunities to meet the needs of young people.'.

No. 13, in Schedule 3, page 19, line 13, at end insert—

'(2A) The strategic plan for England must have regard to the likely level of the funds transferred to the Big Lottery Fund from the Reclaim Fund and shall set out the allocation of these funds between the priorities set out in section 17(1).'.

No. 14, page 19, line 27, after '(3)(b)', insert

'and the priorities for spending set out in section 17(1).'.

No. 4, page 24, line 26, at end insert—

'*Estimates*

9A The Big Lottery Fund shall no later than one month before the end of each financial year publish an estimate of the apportionable income which it expects to have available for the following financial year.'.

No. 15, page 24, line 32, at end insert 'which shall include—

(i) the amount distributed in the year in—

(a) England,

(b) Wales,

(c) Scotland, and

(d) Northern Ireland;

(ii) the amount of expenses defrayed in the year in accordance with subsections (1) and (2) of section 25;

(iii) the amount paid to the Consolidated Fund in accordance with subsections (3)(a) and (b) of section 25.'.

Simon Hughes: All the amendments in this group are in my name, except for amendments Nos. 13, 14 and 15 which were tabled by the hon. Member for Fareham (Mr. Hoban). They deal not with how the money gets into the pot but with how it is distributed, and they follow our helpful Second Reading and Committee debates.

I tabled these amendments to encourage the Government to be more specific about their general commitments. Amendment No. 8 tests the Government on the time scale for implementation. Ministers have been very helpful; indeed, I have been offered a meeting later this month with the Financial Secretary, which I intend to take up to discuss how soon money can be forthcoming, particularly for youth projects, about which I wish to speak in particular. Earlier this year, Ministers indicated that some of the money that they anticipate coming from dormant bank and building society accounts could, so to speak, be advanced against the expectation. Does that offer remain on the table or will we definitely have to wait for money to be collected, identified and transferred to the Big Lottery Fund before it can be distributed?

Amendments Nos. 5 and 7 seek to probe the Government's intentions about how much of the money in the kitty can go to services for young people and to test the sort of funds and projects that can be linked. I shall come back to that issue in a second.

Amendment No. 7 identifies a minimum percentage of the total. As colleagues will know, there are three identified projects for England, one of which is youth services. Ministers have been helpful in indicating that they intend that, in England, most of the money could go to youth services and I have heard reports that the proportion might be up to four fifths of the total. I would be keen to hear whether that suggestion can be tied down.

Amendments Nos. 1 to 3 relate to Wales, Scotland and Northern Ireland. I hesitate to trespass in that area, because Ministers have said that they will leave that entirely to the devolved legislatures. However, I have picked up very positive messages about the keenness of people in Scotland and Wales—I have not tested this in Northern Ireland—to spend the money on youth services there. I want to see whether the Government would be willing to encourage that to happen elsewhere in the devolved Administrations.

Amendment No. 4 is about Big Lottery Fund procedures, and seeks to ensure that people know in advance what will come down the track in their direction.

Two weeks ago, Mr. Speaker was kind enough to select youth crime in Greater London as the subject for an Adjournment debate in Westminster Hall. It was a well-attended debate, involving colleagues from both sides of the House. It was very positive. People said that a huge number of very good initiatives in the communities in all the 33 local authorities were doing well, had done well and could do well. The burden of most people's song in that debate, and certainly the burden of mine, was that rather than seeking to reinvent the wheel and to obtain money through public processes and the Big Lottery Fund for a new project or a capital project, we should seek to support existing projects and to build them up. Many colleagues, when they talk about different issues to do with the voluntary sector, make the case that the trouble is often that groups can apply for money for a new capital project but cannot necessarily apply for money to continue the revenue spend on a project that is already up and running.

Two days after the debate in Westminster Hall, and just over the river in the Royal Festival Hall, there was the launch of a campaign by a coalition of organisations, principally in Lewisham, Southwark and Lambeth. It is called "Enough! Make Youth Violence History" and seeks to bring together organisations that are doing very good work to deter young people from knife crime, gun crime and violence, and to give them positive and alternative role models. The message from that successful event was that some very good organisations work with young people in the front line and that they should be supported and built up.

One of the aims of the event was to say to the Government that they should recognise what good work those organisations do. Ministers in the Home Office were helpful and supportive. As it happened, they could not attend that evening, but I know that they have been positive towards the initiative. The other message of that evening was that when people ask, "What can I do to help deter people from violence, gun crime and knife crime?", those groups should say, "Come and volunteer with us." Many organisations are looking for volunteers, so it is a matter of matching the corporate sector volunteer or the private individual volunteer with those organisations.

Given that there is no statutory obligation in England—or anywhere across the UK—to provide youth services, this Bill is the only place in the current legislative programme where campaigns for developing existing youth organisations tie into the Government's programme

[Simon Hughes]

for being helpful and putting more money in the kitty. That is a welcome proposition.

Amendment No. 8 would amend clause 16, and would seek to ensure that the amount was prescribed in good time every year for it to be really useful. The proposal in the amendment is that the Government should prescribe the amount by 1 March every year, ahead of the new financial year, so that there is clear notice of what the total amount will be. That will mean that everybody will know in good time what the total sum will be for which people can bid.

The next few amendments are very clear, and I want to ensure that the Government are also clear that the intention behind the amendments is to put on the face of the Bill the fact that the money could go both to revenue spend and capital projects. I hope that the Government will be helpful and will say, "Yes, there will be no barrier to people bidding for money from the Big Lottery Fund for revenue projects."

In my constituency, a state-of-the-art youth centre—one of the best in the country—is about to be opened. Ministers have been very helpful and supportive, particularly the Minister for Children, Young People and Families. It is called the Salmon youth centre in Bermondsey, and it is a fantastic state-of-the-art project. We also have other good smaller projects, as we all do in our constituencies. They are not looking for new buildings, but for money to support additional workers.

Let me give two examples. A project called XLP works across the south London boroughs and takes a double-decker bus out to estates to offer young people positive things to do. However, it does not yet have the personnel to do that all the time. It would like to, but it needs a bit more revenue funding. It goes into schools with a very good show called "Gunz Down", which takes an hour and plays to the third, fourth and fifth years in secondary schools. It could do more if it had more revenue funding.

Another good youth project, funded by Oasis, runs just over the bridge from us here, on the Lambeth-Southwark borders. It has a radio project for young people, which teaches them skills in presenting and so on. The project, like the youth clubs, is open certain nights of the week but it cannot open every night because it does not have the funds. There is not much money to fund such youth work. The plea from such groups is, "Please allow us to have the money for revenue not just for capital."

Amendment No. 6 says, "Please will you confirm, O Government, that we can have the money for existing projects, not just new projects?" I think that that is the case—I have heard nothing to suggest that it is not—but it would be very helpful if that could be confirmed.

Amendment No. 7 seeks to test how much money the Government envisage will go to the first of the three categories that they have set out. They have set out three purposes. The first is

"the provision of services, facilities or opportunities to meet the needs of young people".

The second is

"expenditure on or connected with…the development of individuals' ability to manage their finances, or…the improvement of access to personal financial services".

That is obviously important. The third is that such payments should be

"made to a social investment wholesaler."

There are three identified projects in England. The Government have said that they intend that the bulk of the money will go to youth services. Amendment No. 7 asks whether we should have a bottom line that says that at least three quarters of the funds should go to that cause, whether that is a reasonable line to draw and whether the Government are willing to make that commitment. If not, can we hear from the Minister what the bottom line is intended to be?

Amendments Nos. 1, 2, and 3 are intended to test whether the Government are willing at least to say that half the money going to Scotland, Wales and Northern Ireland should be for youth facilities. I hope that the Government will be encouraging the devolved Administrations even if they are unwilling to be prescriptive. That would be welcome in Scotland and Wales, as I know from all the conversations that I have had. If the Bill is to be seen to have a purpose, a very good purpose across the four countries of the United Kingdom would be to spend the money on youth facilities.

7 pm

Amendment No. 4 is a plea that the Big Lottery Fund should publish no later than a month before the end of one financial year an estimate of the money that it expects to distribute in the following year. That is intended to help the planning of the voluntary sector and to help people to know exactly what should be expected. The Big Lottery Fund is well established as an organisation. I am perfectly content—others might be slightly less content—about the fact that it is the distributor. It has the credibility to do that, but the most helpful thing is that people should know in advance how much money will come and how much they can bid for.

I hope that these amendments are seen to be pertinent and appropriate. They are obviously probing amendments. If the Minister is helpful, I will call off the hounds. If he is really unhelpful, the troops will be summoned. I hope that we can do this in a spirit of consensus and that we will have a positive outcome that will reassure some very good projects.

This is a welcome Bill. The money will be very well used, and I emphasise that those organisations do not expect to depend entirely on this money or entirely on money that comes from the Government to the Big Lottery Fund. Many of those organisations are very willing to raise their own money, to go to the private sector to raise money and to apply to charities and so on. They see this money as welcome support. The House has recently said that it is united in making it clear that the majority of young people are good citizens. They want to be good citizens, and the more opportunities that we can give them, the better.

Mr. Hoban: I shall start by saying a few words about the amendments tabled by the hon. Member for North Southwark and Bermondsey (Simon Hughes). He will find, as we found in Committee, that the Government's main priority is expenditure on youth services. That has been a recurrent theme, and it is clear from debates in the House and the other place that that is where the bulk of the money will go. Although he might not get commitments to absolute percentages, he is pushing at

an open door. Amendment No. 4 is sensible; people will need some idea of how much money will be available for those causes.

I want to continue the theme of the distribution of money and to pick up the final spending priority identified for England: the social investment wholesaler. I tabled amendment No. 13 to deal with that, and I shall spend a short time talking about it. It is fair to say that people who work in social enterprise and social investment had expected that the unclaimed assets would be used to help to fund a social investment wholesaler. Certainly, there has been a great deal of debate about that. The Commission on Unclaimed Assets, chaired by Sir Ronald Cohen, considered the amounts that would flow from dormant bank and building society accounts as the way in which a social investment wholesaler could be set up. Subsequent to its report, it did some work in trying to set up the appropriate framework into which moneys could be transferred.

As I suggested earlier, however, it is clear that the Government's order of priority for spending is very much that set out in the Bill. Spending on youth services comes first, followed by financial inclusion, and the social investment bank comes very much at the bottom of the list. The Minister said in Committee that the social investment bank would receive resources to get off the ground if resources permit. It was clear to me that the amount of money available could be relatively small. That will disappoint the people in that sector who saw this as an opportunity to receive investment in social enterprise. In evidence given to the Treasury Select Committee, it was suggested that about £330 million over five years would be required to set up a social investment wholesaler. At the moment, it is not clear how much money will be available, not just to that cause but to the other two causes. Again, the Minister said that there is still great uncertainty about the quantum of resources available to the Big Lottery Fund. We touched on that on Second Reading and in Committee.

In amendment No. 13, I ask the Government, when looking at the Big Lottery Fund's pattern of expenditure during the next few years, to recognise that transfers into the BLF are likely to be of a lumpy nature. We expect that, in the first year, significant moneys will be released from banks to the reclaim fund and the BLF. In effect, the money accumulated in dormant accounts over a long period will be released to the BLF in the very early stages of the process. That significant lump sum will create the opportunity for money to be put into a social investment bank, the investment profile of which will be front-loaded. It needs a large injection of capital up front, followed by top-ups at a later stage.

Clearly, if the Government want to give some money to a social investment bank, recognising the fact that the flow into the fund will mirror the large amount at the outset and that smaller amounts will come every year thereafter, as a new year's worth of dormant bank accounts become available for transfer to the reclaim fund, the opportunity might perhaps arise at the start of the process for significant investment in a social investment wholesaler. It is much less likely, as the unclaimed assets process continues, that sufficient money will be available to set up a social investment wholesaler of sufficient magnitude to make a difference to the third sector.

I ask the Government to think about the flow of funds into the BLF and how it might be used to support a wholesaler. Of course, we must also bear in mind the fact that a social investment wholesaler could use its funds to support initiatives for financial inclusion and youth services, so there could be a flow back to the spending priorities.

I want to touch briefly on amendment No. 14. I want to ensure that the BLF's consultation on its strategy includes the three causes referred to in the Bill: youth services, financial inclusion and the social investment wholesaler. There seems to be a gap in the consultation process; it should go back to those three causes and look at needs in that context.

Amendment No. 15 is intended to probe the Government's thinking on the information that will be published by the BLF in its accounts, to ensure transparency about the amounts distributed to England, Wales, Scotland and Northern Ireland and much more clarity about the expenses defrayed, not only those of the BLF but those that will be reimbursed to the consolidated fund from the BLF. One of the reasons why we tabled that amendment was to ensure clarity about the amounts allocated to England, Wales, Scotland and Northern Ireland. We debated the issue in Committee, where it became apparent that the Barnett formula would be used as the basis for that, but that is not stated in the Bill, as is the Government's custom. Amendment No. 14 would ensure transparency in that respect.

Concern has been expressed, particularly in the other place and to a lesser extent during our proceedings in Committee, about the cost of the BLF, whether it will ensure that its expenses are proportionate to the amounts that it distributes and whether it will spend that money wisely. As I said in an earlier debate, every pound spent on administration is a pound not available to the good causes.

In Committee, the Minister argued that we should make sure that we do not spend too little on administration so that the money was targeted at the right places. However, it is important that there is transparency in the accounts of the BLF, or the reclaim fund element of it, about the amount spent. We have to ensure that the BLF knows that people will not lose sight of the amount spent.

There is another area that needs clarity. The Bill makes provision for the BLF to reimburse expenditure incurred by the Secretary of State—and from our discussions in Committee, we know that it will be the Secretary of State for Children, Schools and Families. Given the maxim that we need transparency about how money is spent, so we can be sure that we have the best value for money, it is important that we make certain that the amounts repaid to the Secretary of State are published.

In essence, there are two elements to this group of amendments. First, it allows us to air issues to do with the social investment bank, and to make sure that it does not drop off the end of the list of priorities. If resources permit, perhaps some money will be devoted to it, particularly given that money will have to be allocated up front to ensure that it is viable. Secondly, we must ensure transparency in how the money is spent. That relates to the amounts awarded to the different nations of the United Kingdom, and to ensuring that we do not lose sight of the money spent on expenses.

Mr. Jeremy Browne: I rise briefly to echo a few of the themes that have already been touched on, and to ask the Minister for clarification on one or two other matters.

[Mr. Jeremy Browne]

First, I should like to mention the point made in the previous contribution about how the Government intend to allocate money between the parts of the United Kingdom. Representations have been made to me by people in Wales, who express concern about the fact that the Barnett formula gives 5.84 per cent. of spending to Wales, whereas the Big Lottery Fund, using a needs-based formula, gives Wales 6.5 per cent. That is not a huge difference, but if we are talking about reasonably significant amounts of money, it is obviously a difference that will interest people in Wales—and, of course, by implication, the other three parts of the United Kingdom, because there is only so much money in the pot, and the more that goes to one part, the less there will be for others.

It would be useful if the Minister indicated precisely how the allocations will be made. As we discussed in Committee, one could make a case for many different bases. One could, straightforwardly, allocate the funds according to population, or according to some sort of assessment of need. One could even use as a basis the number, or indeed the value, of dormant bank accounts in each part of the United Kingdom. It would be reasonable to have some sense of the basis on which the decision will be made.

My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) touched on the percentage of money that will go to youth services, as we did in Committee. I suppose the Minister may slightly feel that he is being pulled in different directions, because in Committee we discussed whether the Government ought to seek greater flexibility. At a later date, way beyond the period that we are envisaging—perhaps 20, 30 or 40 years from now—the Government may wish to redirect the spending to a cause that is particularly fashionable or important at the time. Of course, the Bill does not provide for that; the Government would have to introduce new legislation. They may wish to consider that.

More immediately, a reasonable concern has been expressed about what percentage will go to each of the three causes identified. That is a legitimate point, because if 90 per cent. were to go to youth services, and only 5 per cent. to each of the other two interest areas, there would obviously be a very different impact on youth services than if a third went to each of the interest areas. The Government could do a little better than just saying what the three areas are. I agree with the Conservative spokesman, the hon. Member for Fareham (Mr. Hoban), that all the mood music seems to suggest that, for the Government, youth services will be the priority. My hon. Friend the Member for North Southwark and Bermondsey mentioned 75 per cent. of the funding going to the first of the three priorities, youth services. From everything that I have heard, and from debates in which I have participated, my hunch is that that is roughly the sort of percentage allocation that the Government are considering, but the Minister may be able to be more helpful and give the House a steer on what is envisaged.

7.15 pm

My hon. Friend made a reasonable point: there ought not to be a division or a difference made between revenue spending and capital spending. We are all familiar with projects in our constituencies that have got up and running but struggle to sustain themselves, because most of their costs are ongoing revenue costs. That is a particularly relevant consideration in this legislation, because we are expecting a big hit of initial money, as we will be dealing with all the accounts that have been dormant for 15 years or more in the banks and building societies that choose to participate in the scheme. That may afford a perfect opportunity for one-off capital projects. Of course, in all subsequent years, there will only be the money that becomes available in that 12-month period, so in year 2 we will be talking about only those accounts that have, at present, been dormant for between 14 and 15 years, and which will suddenly fall into the dormant category. There may well be an initial opportunity for quite an ambitious programme of capital spending, but the emphasis will move more to revenue spending in subsequent years. The Minister may well not be able to shed further light on the possible way forward, but he may wish to comment on the subject when he replies.

I share the view of my hon. Friend the Member for North Southwark and Bermondsey that there is no particular reason why we should seek to distinguish between existing and new projects. Sometimes, sustaining an existing project is as valuable, if not more valuable, than trying to come up with a new initiative, even though it is less headline-capturing; people are always seduced by the new, rather than by a reiteration of what has already been done. However, that does not necessarily mean that new projects have greater merit.

Finally, and again picking up a point made by my hon. Friend, we are in a slightly strange position, as we are not able—and do not wish—to direct the devolved Administrations, but we nevertheless know that people in Scotland, Wales and Northern Ireland, inasmuch as they are following the proceedings of the Bill, expect that youth facilities in those countries will benefit from the Bill's passing into law. It is extremely unlikely, but somebody in the Scottish borders could find out that large amounts of money—75 or 80 per cent.—were going to youth projects in Northumberland, while the Scottish Administration decided to spend nothing on youth projects at all, and allocated the money to something completely different. People in the Scottish borders would say, "Wait a second; what about all the youth facilities being made available in Northumberland? We expected to have extra youth facilities across the border in Scotland."

We are not in a position to direct the devolved Administrations, and as I say, it is not our wish or intention to do so, but it might be interesting if the Minister gave an indication of his feel for the way in which the Administrations and devolved Parliaments are looking at the issue. Perhaps he can say whether he feels that, in consultation with them, it would be appropriate to announce that extra youth facilities would be made available across the United Kingdom, even if the percentage split was left to the discretion of those with responsibility for the matter.

The amendments are useful because they allow us to discuss the point of greatest interest to our constituents, which is who will get the money, and what sort of schemes will benefit. I realise that some flexibility is appropriate, but it would be helpful and interesting if the Minister shed further light on the subject.

Tom Levitt: I planned to intervene on my hon. Friend the Minister when he responded on this group of amendments, but the issue that I wanted to raise was mentioned by the hon. Member for Taunton (Mr. Browne). I realised that my question would probably be so long, Mr. Deputy Speaker, that you would take a dim view of it as an intervention, so I thought that I would make a contribution instead.

First, I accept that the hon. Member for North Southwark and Bermondsey (Simon Hughes) has tabled perfectly legitimate probing amendments; I have every confidence that my hon. Friend the Minister will respond to them in a way that allows them to be withdrawn.

In Committee, I tried to get my head around the issue of the size of the entire pot, but did not manage to do so. I am not talking about the figure. Clearly we do not know the exact figure and there is much speculation, covering a wide range of numbers, about what it might be, but does my hon. Friend expect a huge splurge at the start with all the backlog being distributed in one go? Presumably the size of the pot would tail off pretty quickly over future years, coming down to a fairly minimal level in the not-too-distant future when the entire backlog had been spent and when, because people were more aware of the issue, fewer people were allowing their accounts to become dormant. Or does he expect a degree of housekeeping, whereby not all the backlog would be spent in year 1? Perhaps there would be a build-up over two or three years and a gradual reduction after that. Or does he expect that as far as possible the fund would be distributed at a fairly constant level over a number of years? The way in which applications are made will be influenced by the spending profile of the pot over the future years. I do not think that the answers to my questions will influence hon. Members should the matter go to a vote, but they would provide a useful context in which to see these perfectly legitimate probing amendments on which I am confident that we shall not have to vote.

Ian Pearson: I very much appreciate the probing nature of the amendments tabled by the hon. Members for North Southwark and Bermondsey (Simon Hughes) and for Fareham (Mr. Hoban). The legislation defines the basic architecture for the operation of the reclaim scheme, how it will transfer funds to the Big Lottery Fund and the general principles surrounding how those funds will be allocated. As has been noted, and as my hon. Friend the Member for High Peak (Tom Levitt) just mentioned, there is significant uncertainty about what funds will be transferred and when, so it is difficult to be precise in response to a number of the amendments, but I hope to be able to give sufficient clarification of some of the general themes in order to give the House the assurances that it naturally wants. We are all keen to get on with this and to see money going to the good causes that are specified in the Bill.

It will be for the banks and the reclaim fund to decide the speed with which they transfer dormant assets in the first instance. It is likely that that will occur in a number of tranches, but although we do not know whether the original figure of £400 million to £500 million will be the actual figure, it will be built up over a relatively short period of time, and then we expect a steady funding to the tune of some tens of millions of pounds once the initial quantum of money has been transferred.

This offers a number of opportunities to discuss issues such as that raised by the hon. Member for Fareham as to whether this provides an opportunity to have an up-front capitalisation for what the Bill terms a social investment wholesaler, and that is something that we would want to discuss. As has been made clear on a number of occasions, the funding priority overall in relation to dormant accounts has always been youth provision, and that remains the case.

Tom Levitt: I am happy with the model that my hon. Friend has just described, but it seems to suggest that a lot of money will be going into the fund but will not be distributed straight away and, given the quantities that we are talking about, there might be a period in which a significant amount of interest would be earned. Would that interest be added to the fund and be available for distribution?

Ian Pearson: It is one matter to decide how much money goes from banks and building societies into the reclaim fund and over what period—I have tried to give some indication as to how it would be likely to operate—and there is another set of decisions in terms of the transfer of funds from the reclaim fund to the BLF. We would expect the reclaim fund initially to take a relatively cautious approach about the amount of claims that are likely to be put upon it as a result of wanting to reunite people with their money. That will be a judgment for it to make and we would expect it to do so in a reasonable way, but to transfer funds to the BLF in accordance with directions that will be provided by Government. Exactly what stance the reclaim fund takes in terms of the amount of the balance that it needs to hold in reserve in case of future repatriation is an issue that adds further uncertainty to deciding how much should go to the good causes and over what period of time.

Amendment No. 8 seeks to ensure that the Secretary of State makes orders apportioning available sums between the four countries at least one month before the new financial year. I understand that it seeks, along with a number of others, to try to tease out the Government's intentions on timing, and we fully recognise the need for advance planning when it comes to the voluntary sector. We have often been in the situation where the voluntary sector has not had sufficient advance warning, making it difficult to operate efficiently.

It is the Government's intention that apportionment orders will be made in such a way as to ensure that each country is aware of the likely sums that will be available, and can therefore draw up directions or revise existing directions on the relative priorities for spending in good time so that the BLF has sufficient time to plan distribution programmes in accordance with such directions.

We do not see the need to specify in legislation a date by which an apportionment order will be made. The issue of apportionment will be kept under review in consultation with the devolved Administrations, but we do not anticipate that apportionment orders will be made on an annual basis. We envisage an initial order when the scheme is live, but no immediate or annual review. That is not to say that the formula will not be reviewed, merely that we do not intend that it would necessarily be updated at a fixed annual date.

Simon Hughes: That is helpful. Certainty over a two, three or four-year period is obviously better than not knowing from one year to the next, but I reinforce the

[Simon Hughes]

point that when announcements are made, I assume that 1 March would be the latest possible date and that it would be the Government's intention in any year when they make an apportionment decision that they will seek to make it much earlier in the preceding financial year.

Ian Pearson: We would always seek to act in as good time as we could in such matters.

Amendment No. 5 seeks to clarify that English expenditure on youth can be revenue or capital. I understand its probing nature and would simply argue that it is unnecessary because clause 17 is wide enough to enable the BLF to direct resources to either revenue or capital spending without the need for the clarification or qualification proposed.

Our ambition is for all young people to have access to high-quality, attractive and safe places to go. These should offer a wide range of exciting positive activities to support young people to reach their full potential, but also to help improve relations between young people and the wider community. We therefore intend for unclaimed assets in England to be invested in new and improved youth facilities in every constituency, allowing ever more young people to participate and to benefit. Our vision is for unclaimed assets funding that is primarily intended to support investment in youth facilities, not to meet ongoing costs. We recognise, however, that some time-limited resource funding may help to ensure the viability of capital projects—for example, to support project management and delivery costs. I anticipate that, where appropriate, the spending directions may enable such resource spending, and we are clear that, as drafted, the legislation allows us to do so. I hope that that gives hon. Members a clear indication both of our thinking in that area, and of why we think that amendment No. 5 would be unnecessary.

7.30 pm

Amendment No. 6 would spell out that spending under the English youth provision must be spent on either new or existing facilities, services or opportunities. Again, we agree with the thinking behind clause 17 but argue that the amendment would not be necessary, because the clause is already drafted widely enough. It is important to add that a demonstration of financial sustainability will be the key to the Big Lottery Fund releasing dormant accounts for youth projects, just as it currently scrutinises the viability of bids under its lottery and non-lottery programmes. So, we want the money to be genuinely additional, as I have tried to say. We had debates in Committee about the meaning of additionality, and we see it as being primarily capital-based, but allowing for some time-limited resource funding. We want to ensure that the projects that the Big Lottery Fund supports, using dormant accounts money, are sustainable because they take into account the long-term funding requirements on the revenue side, which could be met from other sources.

Simon Hughes: I should like to clarify two points. First, will the Minister confirm that, if the legislation is passed as drafted, Government policy will not prevent the Big Lottery Fund from interpreting existing and new revenue and capital widely, as the implication appears to be, and that the BLF will be free to make that choice? Secondly, will he confirm that, often, a judgment of sustainability should be made on what has been happening? If a project has been going for 10 years and going well, that is often much better evidence of sustainability than a new project, whose sustainability nobody, with the best will in the world, can guarantee.

Ian Pearson: I agree strongly with the latter point. On the former, obviously the BLF has to operate within the legislative framework in the Bill and in accordance with the Government's directions. I shall talk in a minute about the strategic plan, which I hope will provide even more clarification.

Amendment No. 7 is unnecessarily prescriptive in its attempt to specify a fixed proportion of dormant accounts funding to be directed at youth spending. I understand the spirit in which the amendment was tabled, but we have made it clear that our spending priorities will be for youth, financial inclusion and, as resources and state aid permit, the social investment wholesaler. It would be unnecessarily constraining to include in the legislation a specific percentage figure.

Simon Hughes: I understand why the Minister has been very, very careful on that amendment, in which I sought to push him on a percentage, but are my hon. Friend the Member for Taunton (Mr. Browne), the hon. Member for Fareham (Mr. Hoban) and all of us right in thinking that, in England, the Government intend most of the funds at any one time to be used for the first intention, youth services and facilities, rather than for either or both of the other two priorities? Is that the clear policy intention?

Ian Pearson: The Government's clear policy intention has always been that youth spending in England should be the priority, but there are other considerations, particularly with regard to the build-up of the fund, as I mentioned earlier. If the Government were minded to support and take forward the social investment wholesaler, it might need up-front capitalisation, but over time we have been very clear that youth funding is very much the priority.

I appreciate that amendments Nos. 1 to 3 are probing ones, but one principle of the scheme is that it is rightly and properly the responsibility of the devolved Administrations to determine their own spending areas within their respective countries, so that they identify priorities that best reflect the needs of their communities. That was spelt out in the Treasury's May 2007 consultation, which also recognised that the priorities in those countries might change over time. Although the hon. Member for North Southwark and Bermondsey invites us to be prescriptive, I must reject his invitation and say that, in the spirit of devolution, we believe it right to ensure that the devolved Administrations are free to determine their own spending areas. On the spending formula, as we have said in Committee and on previous occasions, the Barnett formula is the most appropriate way of allocating funds. We discussed the matter with the devolved Administrations, and they agree with the approach, so I invite hon. Members to reject amendments Nos. 1 to 3.

Amendment No. 13 would require the BLF to set out in its strategic plan for England how it has regard to the likely levels of funds that it will receive from the reclaim

fund. I mentioned earlier to the hon. Member for Fareham, when discussing the way in which the reclaim fund would be capitalised through dormant accounts, that it gives us an opportunity to consider the social investment wholesaler, so I assure him that it will not be forgotten. It was one of his key points.

Amendment No. 14 would require the BLF, when consulting to identify spending needs while drawing up the strategic plan, to take into account the priorities for the three spending areas for England. Again, that would be unnecessary, because the identification of the overall needs for England is, in essence, the delivery of the requirements of the spending direction, and they set out the priority to be accorded to each spending area. That brings me on to talk about drawing up the strategic plan on the Secretary of State's instruction, and why it has been included in the Bill. We are concerned to ensure that we enable the BLF to take a strategic approach to distributing funding in England within the parameters of the spending directions. It is right that, within the general framework for directions, on which we will insist, the BLF has responsibility for drawing up its strategic plan, and that, as part of the plan, it gives advance notice to voluntary organisations of its funding priorities in the directions.

Simon Hughes: Assuming that the Bill receives its Third Reading tonight and, as we all hope, a speedy Royal Assent, will the Minister sketch out—this touches on the next amendment, the final one in the group—the timetable from now to the end? What is the timetable for the directions, for the strategic plan and for the first money to come through the system?

Ian Pearson: If I may, I shall say more about that when I turn to the next amendment, because it is probably more convenient to do so then. However, I should point out that there are certain issues in respect of the Financial Services Authority and regulatory approval of the reclaim fund, and they will limit the speed with which we can do some of those things.

Amendment No. 4 would require the BLF to publish one month before the financial year-end an estimate of the amount of money available for apportionment in the following year. I presume that the intention would be to make the funding flows between the reclaim fund and the BLF more transparent and, perhaps, to enable distribution in every respective country, and I appreciate the desire to do so. The Bill already makes the necessary provisions to document the funding flows between the reclaim fund and the BLF. The fund is required to publish the total amount that it has transferred to the BLF in any one year and the BLF's apportioning of that funding between the countries of the UK will be determined by the apportionment order issued by the Secretary of State under clause 16.

I appreciate that amendment No. 4 has been tabled for the purposes of probing, but the problem with it is that providing estimates of the amounts available for distribution the following year is likely to be difficult—for a couple of reasons at least. First, the BLF relies on the reclaim fund to identify the sums that it does not need to retain to meet anticipated repayment claims and its own costs for the following year. Secondly, the amendment imposes a forecasting requirement on the BLF, but it would be up to the reclaim fund to decide when it is appropriate for those sums to be released for distribution. We anticipate that the BLF and the reclaim fund will plan the way ahead. Trying to specify that in legislation rather than allowing for a normal and constructive working relationship would be difficult, and we have no reason to believe that the reclaim fund and the BLF will not work constructively together.

Amendment No. 15 would require the BLF to record in its annual accounts the amounts that it had distributed in each of the countries of the UK and the expenses that it had defrayed out of its dormant account income, in respect of the BLF's own expenses and those incurred by the Government in the administration of the scheme. Under clause 21, the Secretary of State already has the power to make financial directions to the BLF, including directions in relation to the form of accounts or methods and principles for the preparation of the accounts. We anticipate that the nature of the directions issued will follow the form of directions given to the BLF by the Department for Culture, Media and Sport under the lottery legislation. It makes sense for the accounting requirements to be similar. When we discussed those issues in Committee, there was a general feeling that there should be procedures similar to those now operated by the Department for Culture, Media and Sport, although the Secretary of State for Children, Schools and Families will be offering the guidance. The regulatory framework will be essentially the same. Amendment No. 15 is therefore unnecessary and we oppose it.

I apologise for how long I have taken to cover the amendments, but it is right to put on the record some points of clarification that emerged from discussion of the probing amendments.

Simon Hughes: Colleagues can be released, and the dogs can be taken off, hon. Members can have an early evening and get ready for the fray tomorrow. I am grateful for the Minister's helpful response. I have taken on board what he has said. People in the voluntary sector, particularly those with an obvious interest in the three categories set out for England and those who work in projects supporting young people, will want to have inputs into the strategic plan and the continuing discussions between the reclaim fund and the Big Lottery Fund. I hope that that will be facilitated.

Everybody is interested in speeding things up, and I want to make clear that the purpose has been to get the message across that good, high-quality work, involving excellent individuals, is being done with young people. We must make sure that this new opportunity does not seek to reinvent the wheel only for the purposes of erecting new buildings, but that it builds on the good practice, experience and activities that exist anyway. I hope that there will be collaborative efforts and I appreciate the Minister's good will. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 30

COMMENCEMENT

7.45 pm

Simon Hughes: I beg to move amendment No. 9, page 14, line 36, leave out subsections (1) and (2) and insert—

'(1) Part 1 shall come into force on 5 January 2009.

(2) Part 2 shall come into force on 6 April 2009.'.

[Simon Hughes]

If the amendment is agreed to, part 1 of the Bill will come into force next year on the first working day after the new year bank holidays and weekend in all parts of the United Kingdom, and part 2 will come into force at the beginning of the next financial year. The amendment is absolutely a probing one, and I anticipate that the Minister will say that there are technical reasons why the Bill cannot come into force as quickly as I suggest. My amendment is really designed to do two things. First, it says that we should get on with things once Royal Assent is over. Secondly, it seeks to encourage the Minister to give us a helpful answer on how soon we can get on with things.

The Minister may be obliged to resist the two dates that I have suggested, but it would be useful if he could say when—if there were a fair wind and everybody was helpful—the earliest dates for the Bill's implementation could be. If he did that, it would encourage people in the industry to get on with things, make people understand that the Government are serious in their intent and allow beneficiaries to see that the opportunity is not one of "jam tomorrow", but "jam really quite soon". It would also be in everybody's political interest, because some time between now and June 2010 there has to be a general election. The Government have a motive for getting on with the legislation; that would be in their interest and in the general public interest.

Ian Pearson: Yes, I do want to get on with things as quickly as possible, and I share the hon. Gentleman's enthusiasm, and that of all hon. Members, for a scheme to be up and running as soon as possible. I assure him that the Act will be brought into force as speedily as possible and in good time. I am not, however, persuaded of the need to specify an early date, as the amendment does.

After Royal Assent, a number of important elements must be considered before any scheme can launch and any money can be transferred from financial institutions to the reclaim fund and subsequently to the BLF. Most notably, the Financial Services Authority will need to consult on the rules around its regulatory regime for the reclaim fund. The FSA has committed to consult shortly after the Bill gains Royal Assent and I certainly encourage it to do that as speedily as possible. The consultation process on that important detail will, however, rightly take time, as hon. Members have said.

The dormant accounts contain people's money, and they have a right to it. We need to be sure that a candidate reclaim fund will need to apply to the FSA and gain authorisation. Presumably, a bidding process for setting up the reclaim fund will have to take place. Once an authorised reclaim fund exists, however, the scheme can be operational quickly. Our ambition is for the scheme to be operational by the middle of next year, but obviously there are a number of hurdles before we reach that stage. In that context, the call for an early commencement of the Bill is not relevant because that would not affect the early introduction of the scheme. However, I assure the House that the Government will want to move with all reasonable speed to ensure that the scheme is not unnecessarily delayed, that we get on with it and that we deliver the sort of benefits that the Bill can have for our citizens.

Simon Hughes: Again, the Minister has been helpful; the phrase that I take from his response is "the middle of next year", which is an encouraging marker. Will he give one more indication, just so that people can be clear? If the implementation is to take place in the middle of next year, when does he expect the first payments to be made? Would they also happen in the middle of next year, or would they take another month or three months? I am trying to see whether I can get the Minister to say that some time next year he would expect the money to have come out of the accounts, gone through the reclaim fund and the BLF and come out at the other end. Is that expectation reasonable? Given what the Minister has said, it seems that it is.

Ian Pearson: What I would wish to happen is that during the course of the financial year 2009-2010 we have not only a reclaim fund up and running, but banks and building societies transferring money into it. I would also like to think that the reclaim fund will be making decisions during that financial year to allocate initial sums to the Big Lottery Fund. That is quite an ambitious timetable, but it is not unrealistic that we can move at that pace, and that is exactly what we should do.

Simon Hughes: I am grateful to the Minister for his reply. I shall come for my meeting with his colleagues with a good knock on the door and all the encouragement that I can muster. I hope that the Government will be able to move this matter forward as quickly as possible and look forward to a speedy delivery once the Bill receives Royal Assent. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Order for Third Reading read.

7.50 pm

Ian Pearson: I beg to move, That the Bill be now read the Third time.

We have had an interesting debate on Report. I am grateful to all hon. Members who took part and to those who served on the Public Bill Committee. I am grateful for the good spirit and the constructive approach taken by Members of all parties.

As a Government, we have listened to several of the arguments that have been made here and in the other place, and the Bill has been greatly improved as a result. I recognise that transparency and openness are important in these areas. Our debate on the review clause in Committee and the Government amendment that we passed this evening have helped to demonstrate that we have been listening.

It is a fact of life that people often forget about or lose track of small deposits of money in bank and building society accounts. That may be because they have changed address or lost contact with their bank, or perhaps they have died without anyone being aware of the account. As a consequence, a large amount of money is lying dormant in bank and building society accounts. It was a Labour party manifesto commitment that we would act to legislate in this field. The 2005 pre-Budget report set out that the Government had

decided that the time had come for such a scheme in the United Kingdom, and the Bill is a key part of turning that ambition into reality.

The latest estimate from the British Bankers Association and the Building Societies Association is that by the Bill's definition between £250 million and £350 million in banks and £130 million in building societies is potentially available. Although those volumes of money are relatively small in the context of the financial services sector as a whole, such sums have the potential to make a significant impact for projects in the community. Throughout our debates, the Government have been deliberately clear that we see the spending priorities in England as youth services, financial capability and inclusion and, if resources permit, investment in the long-term sustainability of the third sector. Those important areas are included in the Bill. The potential of the scheme to make a real difference in every community on the basis of those priorities is clear.

We have argued, following extensive consultation, that an alternative disbursement option should exist for small institutions to distribute assets in their local communities. On several occasions, the case has been made that special treatment should additionally be afforded to all building societies. We have listened to those arguments and carefully considered them. However, as I said in Committee, we continue to believe that the significant impact that that would have on assets going into the national scheme, and the duplication of national level distribution, would mean that the potential benefits to society were reduced. Widening this small and local scheme to all building societies is therefore not desirable. Although we did not debate amendments on this today, amendments were debated in Committee and in another place. We remain firmly convinced as a Government that the scheme has been designed in the most appropriate way to be able to provide benefits in the priority areas that we have identified.

The Bill offers an historic opportunity to allow these assets to be used for the wider benefit of society, and it does so while maintaining an approach that is user-friendly and protects customers. Ultimately, if customers discover that they have lost their bank, building society or national savings account and want to get their money back, they will be allowed to do so, and there is nothing in the Bill to prevent it. However, using dormant accounts represents an opportunity to provide significant benefits to some of the most deprived communities by improving youth provision and helping with financial capability and inclusion. I commend the Bill to the House.

7.55 pm

Mr. Hoban: The Minister rightly said that we dealt with the debates on Report as we did with the debates in Committee—by setting out from the outset to be constructive and to take the opportunity to understand and to challenge the Government's intentions. I think that the Bill is better as a consequence.

We are at the "end of the beginning" stage of this legislation. The Committee stage did not take long, but it took some time for the Bill, having received its First Reading in this House in February, to get to its Second Reading when we returned after the summer recess. Since then, we have dealt with it very quickly to get to this point.

There are four key aspects. First, we need to ensure proper protection for consumers so that they know that if money is transferred from their account to the reclaim fund, there is recourse for them. As a preparatory step, banks, building societies and National Savings & Investments have done as much work as possible to be able to unite customers with their money. The second important feature is the establishment of the reclaim fund and its functions. We have debated the reclaim fund and how we are going to monitor the way in which it works in practice. The third key area, which we discussed under the penultimate group of amendments, concerns the role that the Big Lottery Fund will undertake and how it will set out its strategy. The fourth key area is the next stage of the process, or the next challenge—determining how the money will be spent in practice on the ground. This presents a huge opportunity to find some innovative and exciting projects that can benefit from dormant accounts. We had a debate about the initial release of money from bank accounts to the Big Lottery Fund. It is vital that the Big Lottery Fund plans this process well. If it gets it right, that can make a significant difference to communities across the country. It will need to work hard to ensure that the opportunity is maximised and that the money is used effectively.

The Bill will leave this place slightly weaker than when it arrived. The Government have weakened some of the aspects of parliamentary scrutiny that were inserted in the other place. However, I will be gracious in accepting that new clause 3 provides some scrutiny. It may not be as robust and the review not as frequent as Opposition Members wanted, but it ensures that the functioning of the scheme will be reviewed. One of the features of the discussions throughout all the Bill's stages has been the importance of ensuring that the scheme works properly.

David Taylor: Does the hon. Gentleman recall my intervening on him on 6 October, when the Bill was previously debated in this Chamber? We both agreed that as a price for not being included in the Bill, National Savings & Investments should be doing more to link dormant accounts. NS&I has written to both of us, and I, for one, am more impressed by what it now does in relation to investment accounts, premium bonds and so on. Is he of the opinion that it should remain outside the Bill?

Mr. Hoban: The hon. Gentleman raises two points. I looked back at the *Hansard* report of the Second Reading debate; I thought that I had been complimentary about the work that the National Savings & Investments bank had done in reuniting customers with their accounts. It is important work, even though the dormant moneys will not be transferred into the reclaim fund—something which any review should consider. The bank should continue to work as hard as it can to ensure that people are united with their assets, and I am sure that it understands the importance that this House places on it continuing to do such good work in finding the owners of such accounts—

Mr. Deputy Speaker: Order. Time has allowed me to be indulgent, but I should remind the House that on Third Reading we should be discussing what is in the Bill, not what is not in it.

Mr. Hoban: I am grateful for that guidance, Mr. Deputy Speaker. You will understand from the exchange that I had with the hon. Member for North-West Leicestershire (David Taylor) why I may have chosen to trespass on your good will on this occasion.

Returning to the Bill, new clause 3 provides an opportunity to scrutinise how well the reunification arrangements work, which is important because we want the scheme to work. It is important to bear in mind that the money we are talking about—we have talked about the projects on which it might be spent and the opportunities that might be provided—comes from the accounts of bank customers. We need to make sure that in our enthusiasm and keenness to see that money flow through to good projects, we never forget that the process of getting it into the Big Lottery Fund should be done well.

The Bill is an important step forward in resolving the debate on the use of money in dormant bank and building society accounts, and it will provide a good opportunity to develop youth services, financial inclusion and the social investment wholesaler. It is important, bearing in mind the source of the money, that we ensure that it is spent wisely, efficiently and well. That task will be entrusted to the Big Lottery Fund. All those who have an interest in the Bill, whether they are consumers, banks, charities or the Big Lottery Fund, will be well aware from the conclusion of our proceedings that we want not only to ensure that the scheme works properly, but to continue to scrutinise how it works to ensure that we get the best value possible from those assets.

8.2 pm

Mr. Martyn Jones: I congratulate the Minister on the passage of the Bill and on the addition on Report of a review process. The Bill will mean more money flowing back into the hands of the public and important charities. Many of us had hoped for a much tighter check on the UK banking system and a mandatory scheme. I expressed my cynicism about the banking system and bankers in general in Committee and at other stages of the Bill's consideration.

I remind the House that in 2004, I asked the banks how much they had in dormant bank accounts. Six of them replied, saying that they had £419 million, while 16 did not—or would not—reply. Given that they are now talking about £250 million, there is a bit of a discrepancy, and I would like to know what has happened to that money. I let the Minister off too lightly in Committee when I said it was perhaps the definition of 10 extra years. On a back-of-the-envelope calculation, I do not think that that is true, because the banks had £400 million four years ago, and they have been going for perhaps 50 to 100 years in this country. I think that there is more money, and I hope that it will show up. I wait with interest to see which banks comply with the demands of the voluntary scheme. That is why I am grateful for the review procedure, which should give us some indication of the performance of the voluntary scheme at an early stage.

I hope for a proportionate distribution of the moneys across the regions of the UK. The money could provide much-needed funding for community projects to help the many volunteers and organisations throughout Britain who work with young people every day. I look to the future of other dormant asset schemes, such as insurance funds, share certificates and gambling debts. I hope to work with the Treasury on legislation in those areas in the near future. The Bill is a good start, and I am proud to have had some small influence on its reaching the statute book.

8.4 pm

Mr. Jeremy Browne: Most legislation takes several months to pass through all the stages in both Houses, and in the time that we have been talking about dormant accounts, the banking sector has changed beyond all recognition and we now have a rather large number of semi-dormant banks. Nevertheless, the legislation is important in its own right, and it is good that it was studied in such detail in both Houses.

I pay tribute to those in the other place for getting the ball rolling. This is exactly the type of Bill that lends itself well to beginning in the other place because of the range of expertise available there and the fact that it is traditionally less partisan in its outlook than this Chamber. None the less, the deliberations we had in this Chamber and in Committee have been useful, and I congratulate the Minister on his constructive outlook and on seeking to be more accommodating than some Ministers have been on other occasions with regard to the provisions and proposals advanced by Members of other political parties and by those on their own Back Benches.

I echo the sentiments of the hon. Member for Fareham (Mr. Hoban) in that I would have preferred some of the amendments made to the Bill in the other place to have remained, rather than seeing them removed in Committee, but the Bill has nevertheless been scrutinised in some detail, and my party, along with all other parties welcomes it. It is well-designed legislation that will, I hope, achieve the objective we all share.

I echo the point made by other hon. Members that we should not forget that the money in question belongs to private individuals. They have chosen not to touch it, either wittingly or unwittingly, for a long period of time, but I do not want the state to regard it as its role to confiscate the money of private individuals. It was important that we made sure that there was detailed consideration of the provisions for reuniting people with their funds, and I am pleased that the Minister and others took those issues seriously. I hope that the review we have agreed on this evening ensures that, as it becomes a reality across the country, any problems in the legislation will be ironed out.

Finally, the Bill's objectives are entirely laudable, and all of us—looking around the Chamber, I see people from urban, inner-city constituencies and those who represent rural areas in far-flung parts of the country—see a need in our constituencies to ensure that young people are engaged by projects that stimulate them and that ensure that they can play a full role in society. I know that the Bill envisages money being spent in different areas, but there is a consensus that the main thrust of the legislation will enable more provision to be made for youth facilities. Anyone who plays an active role as a constituency MP will see the benefits of that.

I am keen that the money should be additional. I know that it is hard to define in legislation what constitutes additionality, but everyone would feel that the legislation had not achieved its objectives if the money merely

displaced projects already funded by the Government. Our deliberations have been positive and constructive. I hope that the scheme that is put in place is effective and that, sooner rather than later, our constituents will see the benefits of our deliberations.

8.8 pm

Mr. Walker: I would like to say how much I enjoyed serving on the Committee that considered the Bill. I spoke on Second Reading, I was on the Committee, and I am making a brief debut on Third Reading.

The amounts of individuals' money we are talking about are probably quite small, because people tend not to forget large amounts of money lying in bank accounts. I know that I have a couple of bank accounts—with the Chelsea building society and Barclays bank—from 20 years ago, with probably about £10 in each, and I am more than happy for that money to be put towards good causes. Although the amounts we are talking about are small in each individual dormant account—not in all, but in most—when we add them up, as the Minister did when he educated the House, we find that about £500 million is available to put towards good causes. Of course, the money does not belong to banks—they are its custodians. It belongs to people who have perhaps died or forgotten that it is there. If they or their executors do not intend reclaiming it, I see no harm in putting it towards good causes. It is a good and noble thing to give that money to good causes—alleviating poverty and helping young people get a foothold in life and a chance to make something of themselves.

I am pleased that there will be a review in three years of the reclaim funds' performance and the limited company in charge of distributing the money. That review may provide an opportunity to examine the performance of the Big Lottery Fund and perhaps to tweak things around the margins. I know that I have tried the Economic Secretary's patience—I will not try yours, Madam Deputy Speaker—but if it is decided in three years that charity should get perhaps 5 per cent. of that money, it would be no bad thing.

In responding to a point that the hon. Member for North Southwark and Bermondsey (Simon Hughes) made, the Economic Secretary referred to an ambitious timetable of implementation. We have waited so long for the Bill that he can afford to be a little cautious. Let us ensure that we get it right: if it is not ready to launch by the middle of next year, I do not believe that anyone would be too critical if we delayed it by two or three months. It is important to get it right the first time so that it carries the public's confidence. If the Economic Secretary misses a June, July or August launch, he will receive no criticism from me.

8.11 pm

Simon Hughes: The Bill is clearly a good measure, supported by all parties and improved during its passage through Parliament. I shall make one short, broad point and reinforce a specific point that I made earlier.

While not taking assets from people against their will and always respecting the rights of private ownership that are upheld in documents such as the European convention on human rights, we are right to ascertain, as public policy, whether private assets can be used for the public benefit rather than not used at all.

We have done similar things over the years. Mercifully, since the last war, we have released people who are mentally ill from asylums where they had been locked away for decades. They had something to give, and society has realised that people with mental illness can make a huge contribution. We have also realised that in the case of people with disabilities, who were often hidden away—

Madam Deputy Speaker (Sylvia Heal): Order. I understand the hon. Gentleman's general point, but he must now confine his remarks to the Bill instead of drawing analogies.

Simon Hughes: I was trying to steer close to the sort of thing that you would accept on Third Reading, Madam Deputy Speaker, but I shall steer closer to the Bill's central point.

It is amazing to relate, but if one is very rich, one probably has assets that are hidden away, which one does not think about. The Bill rightly provides that, though the moneys are private, if they have been forgotten and unused, there should be a facility to use them, even though they can be reclaimed. I want the fact that the Government have followed that route in relation to money in accounts to encourage them to be equally purposeful about other assets that are held privately—for example, land on brownfield sites or empty housing. I shall not go further, Madam Deputy Speaker. I simply remind the Government that they can be positive in a similar way about other matters.

Mr. Jeremy Browne: Nationalise everything?

Simon Hughes: Absolutely not.

My specific point, which is central to the Bill, is to do with the fact that we are having a bad year in Britain for violent youth crime. London has been especially afflicted, with more than 20 teenagers killed.

Madam Deputy Speaker: Order. I understand the seriousness of the hon. Gentleman's point, but I ask him to confine his remarks to the content of the Bill so that we can deal with Third Reading.

Simon Hughes: My point is absolutely about the Bill's content, if you will bear with me, Madam Deputy Speaker. The Bill's priority is for money to be spent on facilities for young people. The measure is important because it will allow the money to be used to deal with one of the major problems that has afflicted London and the rest of the country—the violence caused to and by young people. Many people will put the money that may become available—whatever the amount—to good use because they know the ways in which to prevent young people from going astray and being violent to one another.

The Government should view the Bill not only as social or financial policy but as part of the immediate response to a problem that is endemic in all our communities. Out there, people are sick to death of the idea that youth violence cannot be tackled in our society. The Bill is a small mechanism for dealing with that, but it could be important. It is totemic about opportunities: a little bit of resource can turn around significant numbers of people in our community. An important

[Simon Hughes]

consequence of the Bill will be more resources for all our constituencies, counties and regions, which will allow those who work to make youth violence history to feel more encouraged and better able to do their job. The Bill will therefore be welcome in my part of the world and this city.

Question put and agreed to.

Bill accordingly read the Third time, and passed, with amendments.

A5-M1 Link

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Blizzard.]*

8.16 pm

Andrew Selous (South-West Bedfordshire) (Con): I am grateful to Mr. Speaker for granting me this short Adjournment debate on a subject of huge importance to not only my constituency but a considerably greater area. I welcome the Under-Secretary of State for Transport, the hon. Member for Gillingham (Paul Clark), to his place. I appreciate that he is deputising for a colleague who has overall responsibility and sits in another place. He is possibly the fifth or sixth roads Minister that I have faced in my seven years in the House in my quest to try to get the road completed. It may therefore be helpful to him if I sketch out a little local detail from my point of view as a constituency Member of Parliament. I appreciate that his officials will have briefed him well about some of the wider issues.

There is a long history of trying to get a bypass for Dunstable, as the A5-M1 link is better known locally. The first record that I have found dates back to 1934. The A5, which goes through the middle of Dunstable, carries approximately 22,000 vehicles a day. Many are heavy goods vehicles, which do not want to deliver to businesses in Dunstable or take finished products out of Dunstable, but are simply trying to get through the town to go elsewhere. Consequently, many people who want to shop or do business in Dunstable are prevented from doing so by the amount of excess traffic that goes through the town and wants to be elsewhere.

Often, the M1 is diverted to the M5 when there are blockages. The M1 is currently being widened but, according to the Highways Agency, we are officially a relief road for the M1, and that causes dread for many of my local schools. People look out of the window at 3 o'clock many afternoons and realise that they cannot get their children—perhaps special needs children—home on local authority transport and so on.

We therefore face huge difficulties locally, not least an increasingly difficult economic environment, with unemployment in my constituency having unfortunately risen by 23 per cent. in the year till August. Since then, I know of three local businesses that have, sadly, closed.

The Minister knows that the Government have significant ambitions for housing and business growth in my area. Indeed, they wish to build some 43,000 extra houses by 2031. That objective cannot be fulfilled without building the road. The view of many local people is that, given the bypasses that they have seen elsewhere around the country—and, indeed, in the county of Bedfordshire—the bypass is required for the area's current needs, not only for future growth. It is the view of many local authority officers in my area, as well as the authorities themselves, that the Highways Agency has been stalling development in the area, through a lack of commitment to deciding either how the M1 is to be widened north of junction 10 or what the precise form of the A5-M1 link should be.

The then Secretary of State made an announcement to the House on 9 July 2003, starting at column 1177 of the *Official Report*, that the Dunstable northern bypass—the A5-M1 link—would be built. That was originally supposed to be completed by 2010, but it is currently not scheduled for completion until around 2015 or perhaps even later.

The then Secretary of State, now Chancellor, announced the Government's decision to build that vital bypass, telling the House:

"In the past five years, there have been long and detailed studies, but the time has now come when we need to get on and implement them".—[*Official Report*, 9 July 2003; Vol. 403, c. 1195.]

My constituents would have very much agreed with those sentiments, but according to the Government's projections, we are now looking at a 12-year delay between the announcement that the road would be built, which was made at the Dispatch Box in July 2003, and the current scheduled completion date. That is an unacceptably long time. Perhaps the Department should think about having a maximum period between the announcement that a road is to be built and when it is actually completed.

More recently, on 6 July 2006, a later Secretary of State made a written statement to the House about the regional funding allocations for transport schemes. He referred in that statement to a letter to the chair of the East of England regional assembly, in which, referring to the A5-M1 link, he had stated:

"we would therefore like that scheme to be considered for an earlier start than you have proposed if there is any slippage in other schemes in your region."

As far as I am aware, that policy, enunciated by the then Secretary of State for Transport, has not been changed by any Minister or official in the Department, but I would be grateful for confirmation that that is the case.

It was therefore with great alarm that many of my local councillors and council officers learned in July, at a meeting in Dunstable in which I was involved, that the East of England regional assembly had proposed the A11 improvements as one of the two priority schemes to go forward with the A5-M1 link, should any extra money become available in the region. I understand that the Highways Agency had raised two issues, which had not been fully discussed with the local authority officers concerned.

Let me say in passing that I hope the Minister will encourage the Highways Agency to discuss such issues fully with the knowledgeable and expert officers in local authorities who are tasked with such matters before they are announced at a regional planning panel. I will be meeting representatives of the Highways Agency in London with many of my local officers on 24 November to take such matters forward.

Of the two reasons why the A5-M1 link could not be brought forward as the priority scheme, as a previous Secretary of State had said in 2006 that it would be, the first, and I gather the most significant, was an air quality issue. I understand that the Highways Agency had identified some

"relatively recent European air quality compliance complications".

I would not wish anyone to live with any pollution, but I understand that the recommendation is that pollution should not exceed a limit of 40 micrograms of nitrogen dioxide per cubic metre of air. For a small number of houses near junction 11, it was expected that the limit would be breached, with the level rising to around 42 to 43 micrograms per cubic metre when the new bypass was built.

I wonder whether the Minister is aware that the annual mean level of nitrogen dioxide in the centre of Dunstable is around 68 micrograms per cubic metre, with hourly peaks of up to 260 micrograms in the rush hour. It seems pretty strange that a European directive is prepared to subject my constituents—families who live in the centre of Dunstable—to far higher levels of pollution between now and 2016 rather than countenance a possible much smaller breach of the guidelines in the run-up
to 2016.

I pay tribute to Councillor Tom Nicols of South Bedfordshire district council, who went to Brussels last month and discussed the European directive with German and Dutch Transport Ministers who were in the European Parliament. My understanding from conversations with him is that there is flexibility in such directives. If the Department went back to Europe and said, "It's a slight breach, which we're working to avoid in the run-up to 2016, versus much higher levels of pollution, which would be avoided if we could build this road in Dunstable sooner," he might find that European officials would be more understanding about reducing overall levels of pollution. Again, I commend Councillor Tom Nicols for going the extra mile in trying to resolve the issue.

We have information that perhaps only five houses will be affected by any potential breach in the run-up to 2016, but will the Minister confirm that? If that is the case, I wonder whether the Highways Agency already owns those houses and whether they are already blighted because of the possible M1 road widening.

That brings me to the second issue that was raised with the East of England regional assembly as a reason why the A5-M1 link could apparently not be prioritised, as the previous Secretary of State had said it should be. The reason is that no decision has been made on whether the M1 is to be widened or whether there is to be hard-shoulder running, which I understand the Department terms active traffic management. Another previous Secretary of State announced in March that large sections of the M1 that are awaiting improvements could benefit from hard-shoulder running, but to date we have had no firm decision.

I gather that the lack of a decision was also used to put a spanner in the works, as we see it, so that the East of England regional planning panel did not give the full green light, which we so desperately need to get the road back on track. Will the Department be announcing a decision on the widening of the M1 next month? My information is that that is possible, and confirmation of that would be helpful. If we can get this issue sorted out, either by building an extra lane or using the hard shoulder, we can then plan to put in junction 11a.

I turn next to the escalating cost of building this road. The Minister, like every other Member of the House, knows that public money is precious money and that, sadly, there is never enough of it to go round. I am sure he will be alarmed, therefore, to learn that, when this road was first proposed and the Highways Agency went out for contracts in September 2005, it was going to cost £48 million, yet by February 2007 the cost had gone up to £124.3 million, and by July this year it had reached £142 million. By my calculations, that is an almost 300 per cent. increase in under three years, while inflation was running at up to about 4 per cent. as far as the rest of the economy was concerned. That is a virtually Zimbabwean level of inflation. Where is the value to the public purse? Are the Government being held to ransom by a small group of large road builders?

[Andrew Selous]

Do we need to look at this, as a country, to ensure that the Minister and I are getting value for our taxpayer dollar when building these roads? If the costs are going to get higher and higher, the Department will obviously be able to build fewer roads. We all understand that. I would be extremely grateful if the Minister could say something about the costs.

Another thorny issue that has not been fully resolved is whether the new junction 11a, which will obviously join the M1 between junctions 11 and 12, will be built at the same time as the M1 is widened, if the decision to widen it is taken, or whether it will have to be built later. As far as I am aware, no hard decision has been taken on this. Answers that I have had to parliamentary questions suggest that, were the Department to widen the M1, and then have to come back at a later date—because the Dunstable northern bypass scheme had not been agreed—and rip up the newly widened M1 in order to put in the new junction, it would cost the taxpayer an extra £12 million or so. Local people—and, indeed, taxpayers all over the country—would not understand or forgive the Government if they wasted that much public money, when a little bit of co-ordination could result in implementing the two schemes at the same time and putting in the junction at the same time as widening the M1 or sorting out the hard-shoulder running measures. Saving £12 million in that way would clearly be sensible.

I want to clarify what the decision of the regional planning panel of the East of England regional assembly meant in the minute of 30 September, which stated that it was resolved that

"the A5-M1 link should be treated as a de facto committed scheme…on the assumption that the reasons for the scheme being unable to be accelerated at this time would shortly be resolved".

I think that those words were meant to be of comfort to people like me, who will be on the Minister's back for as long as he is in this position on this issue, to my local councillors and to the local people. We are grateful for any words of comfort, but I have a couple of questions in relation to that statement. It includes the words:

" on the assumption that the reasons for the scheme being unable to be accelerated at this time would shortly be resolved".

How soon is "shortly" in relation to the air quality management issues and the M1 widening issues? What progress has been made since the end of September? Finally, I want to ask whether the A5-M1 link is a suitable candidate for regional infrastructure fund investment to help to plug the funding gap.

Last week, in an effort to be helpful, I faxed a number of the questions that I intended to raise in this debate to the Minister's officials—I am not playing party politics with this debate; this is far too important an issue—and I hope that that was helpful to him. My intention was to have as constructive and helpful a debate as possible. He will be aware that his response will be read carefully by people locally, because this is such an important issue. I would be grateful if he could give me as many answers as possible, but if I have raised any extra questions to which he is understandably unable to give me answers now, I would be extremely grateful if he could ask his officials to look at the record of the debate afterwards, and to write to me.

8.34 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I congratulate the hon. Member for South-West Bedfordshire (Andrew Selous) on securing this debate and providing a further opportunity for us to discuss what I accept is a very important issue—not only for the hon. Gentleman's constituents in respect of the A5-M1 link road, but for the wider area. I thank the hon. Gentleman for contacting my officials to run through some of the issues that he wanted to raise.

Let me make a few points about the hon. Gentleman's opening comments. The Highways Agency does not view the link road per se only as a relief road for the M1, but when incidents close the M1, alternative routes obviously have to be found. We all hope that the number of such incidents will be few and far between. I do not believe that the Highways Agency is stalling on its commitment; indeed, it would not be fair to say that any of the parties are stalling rather than recognising the importance of the issue. I hope to answer all the hon. Gentleman's questions. I know that he has been assiduous in raising these issues in numerous meetings with my ministerial colleagues—I believe he said that I was the seventh—including the Prime Minister in May last year.

The A5-M1 link forms part of the recommended strategy of the London-south midlands multi-modal study, which clearly demonstrates its wider importance. The scheme entered the Highways Agency's targeted programme of improvements in July 2003 and it has been promoted to address traffic congestion on the A505 and the A5 in the centre of Dunstable, to which the hon. Gentleman referred. The A5 is generally straight in Bedfordshire as it follows the line of Watling street—the old Roman road. It is part of the core trunk road network, linking London and the south midlands. The A505, the A5 and the Leighton to Linslade bypass also form an important strategic east-west county route.

As a result of being part of those key transport links, which facilitate the movement of large volumes of traffic, parts of the A5 become heavily congested, particularly Dunstable High street and the urban areas along the London road. These sections of the A5 and the A505 run through an urban environment, so their design has to consider the need to maintain pedestrian safety and is bound by the physical constraints of a built-up urban environment, both of which contribute to the congestion currently experienced. Local improvements to the A5 north of Dunstable have been made over the years, but south of the Leighton-Linslade bypass junction, the road is bounded by urban development, again limiting opportunities for improvement.

In order to resolve those issues, the Highways Agency proposes a 4.5 km long two-lane dual carriageway from the A5, just north of the Leighton-Linslade bypass roundabout, to the new junction 11a on the M1 north of Luton. I will say more about that later in my speech. By offering an alternative high-standard direct link to the motorway, the proposed A5-M1 link road would act as a northern bypass for Dunstable and satisfy part of the county's outer relief strategy for the Luton and Dunstable area.

The scheme is expected to reduce the number of through-Dunstable trips by between 8 and 24 per cent. The highly variable journey times measured on the A5 between the A4012 junction in the north and the

M1 junction 9 in the south would also improve. Along this 17.2 km section of road, peak journey times are predicted to reduce from the current average of 51 minutes to nearer 20 to 30 minutes, which is near the average off-peak journey time.

In addition to easing congestion in Dunstable, the scheme aims to reduce traffic through the villages of Houghton Regis, Wingfield, Tebworth and Toddington. The scheme is also expected to improve road safety and the overall quality of life for residents and shoppers. As a result, it is also expected to deliver benefits to the region's overall economy.

In September 2005, the Highways Agency appointed a contractor under its early contractor involvement initiative to take the A5-M1 link through the statutory process and the construction phases. Also during September 2005, the Highways Agency held a public consultation that attracted more than 1,200 people. The preferred northern route was announced on 23 February 2007. The scheme was subsequently developed and a public information exhibition was held in October last year. To date, more than 100 written responses have been received from individuals, elected bodies and other groups. That feedback was taken into account in the recent work to prepare the draft orders.

The hon. Gentleman will also know that, following the spending review of 2004, the Government announced that routes on the strategic road network would now fall into two categories: those that are of national importance, mainly major motorways such as the M1 and the M25, and those that are predominantly of regional importance. On the basis of those criteria, the A5-M1 link has been classified as a route of regional importance.

Although decisions on all schemes and funding commitments remain with the Secretary of State for Transport, in 2005 the regions gave us advice on priorities for major transport schemes. They were asked to work within indicative regional funding allocations, and to include in their advice the priority that they attached to Highways Agency schemes on routes of regional importance such as the one that we are discussing. The Department received the East of England region's advice on its priorities in January 2006, and I am aware from that advice that the region considers the A5-M1 link scheme to be a priority because of its contribution to a number of economic and transport objectives, including improvement of east-west transport links and the provision of better regional access to the strategic road network. The region is considering the scheme as part of its review of future priorities. We have asked regions to provide their updated advice by February 2009.

In view of the scheme's important contribution to regional objectives, I expect the region to continue to regard it as a high priority. It is currently included in the south Bedfordshire local plan, and is recognised as being part of the infrastructure needed to support the development north of Dunstable. That includes potential growth areas for housing, to which the hon. Gentleman referred, and the new commercial developments outlined in the Milton Keynes and south midlands sub-regional strategy.

In order to support the development plans, consideration has been given to the nature of the junctions built as part of the scheme. The A5-M1 link proposals include a roundabout where the A5120 Bedford road would cross the new route, allowing local users to join the M1 via the link road. That junction was designed to facilitate improvement in due course, given the anticipated north Dunstable and Houghton Regis developments.

The scheme also includes a new junction with the M1, named junction 11a. The location and arrangement of junction 11a was planned to support the county's outer relief strategy by allowing for a connection with the proposed Luton northern bypass. It was also designed to allow for a local road connection that joins the A5-M1 link at its eastern end. Current traffic projections predict that allowing local road access at the junction is not likely to have a significantly detrimental impact on strategic traffic travelling on the M1.

Let me answer another of the hon. Gentleman's questions by saying that I am assured that the proposed junction 11a could be built concurrently with the proposed improvements to the M1 between junctions 10 and 13. As the hon. Gentleman suggested, that has the potential to yield significant cost savings and reduce the adverse impact of construction works on traffic on the M1. It is, of course, subject to the satisfactory conduct of the statutory process and the availability of funding. The scheme was designed to provide a number of dedicated routes and safe crossings for vulnerable non-motorised users, those enjoying recreational activities, and landowners with businesses in the area.

The hon. Gentleman noted that the impact on air quality was likely to be a significant issue. By providing an alternative link to the M1 the scheme will increase traffic volumes on the M1, which could increase net exhaust emissions. That has the potential to affect air quality, especially in the Luton air quality management area.

The Department is working actively with other agencies to understand the impact that the A5-M1 scheme is likely to have on air quality, and to resolve that challenge in the light of our obligations under EU air quality rules. I take on board the hon. Gentleman's comments about the effect on parts of Dunstable in comparison with the possible effect on a smaller number of properties, but, according to our requirements, any new schemes cannot make any area worse in terms of air quality.

Andrew Selous: Will the Minister ask his officials to have a dialogue with the people in Europe on this issue, to see if there is flexibility regarding current pollution levels?

Paul Clark: I have said that our officials are having dialogues with relevant personnel, including opposite numbers in the Department for Environment, Food and Rural Affairs, and I take on board the hon. Gentleman's comments on European members. I believe discussions on the air quality issue are moving forward quickly, however, and that it can be resolved.

The hon. Gentleman raised the timetable for delivery of the A5-M1 link. That is partly dependent on other road schemes, in particular the proposed capacity improvements to the M1 between junctions 10 and 13, because capacity improvements on the M1 are required to handle the additional traffic that the A5-M1 link scheme would feed on to the motorway. Without the M1 capacity improvements, building the A5-M1 link would create additional congestion problems on the M1, and would probably lead to the new piece of road the hon. Gentleman talks about becoming a car park.

[Paul Clark]

In 2008, the public inquiry for the M1 was postponed while further investigations were carried out into possible alternatives for delivering capacity improvement. This followed a successful feasibility study of advanced motorway signalling and traffic management, including the use of the hard shoulder as a running lane on the M42. The Department is currently evaluating the potential for the use of hard-shoulder running on this stretch of the M1, which could be an alternative to full-scale widening. While that may appear to delay the programme, it is right that we look for value for money and that we spend it on meeting congestion issues. Also, while there may be a delay in decision making at this stage, if the hard shoulder were to be used instead of the M1 being widened, the construction time would be less, and I have already given a commitment that plans will be worked up in such a way that junction 11a can be built in either scenario.

The review of the M1 scheme has implications for the A5-M1 link. This is because the decision on the nature of the capacity improvements on the M1 has the potential to affect the design of the A5-M1, particularly where the two schemes connect, and, therefore, the nature of the orders required. We hope to be in a position to reach a decision on the preferred option for the M1 scheme as soon as possible in 2009. Ministers are likely to receive advice in the run-up to Christmas; that may be why the hon. Gentleman referred to there being a decision very shortly. Once a decision has been reached on the M1, we will be in a position to confirm the proposed way forward for the A5-M1 link.

In its advice to the Department in January 2006, the East of England regional assembly proposed a timetable that included a construction start date in 2013-14. This date remains possible regardless of the outcome of the M1 review. I also understand that there is a desire in the region to see if implementation of the scheme can be brought forward. This possibility is, of course, dependent on the region's funding priorities, the potential effect on air quality of earlier road opening, and the M1 timeline. It would, therefore, not be appropriate to offer a firm delivery timetable for the A5-M1 link at this stage. However, I recognise that the hon. Gentleman and other stakeholders wish this to be resolved as soon as possible.

On the hon. Gentleman's later points about the Highways Agency and dialogue between partners, I can assure him that, while I am in this job, I will encourage all partners to have proper dialogue, whichever stakeholders they represent. I assure the hon. Gentleman that we, along with him and other stakeholders, see this as an important scheme and that we will do all we can to bring it to an early conclusion.

Question put and agreed to.

Adjourned accordingly at eleven minutes to Nine o'clock.

House of Commons

Tuesday 4 November 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Patient Administration Systems

1. **Dr. John Pugh** (Southport) (LD): What progress has been made on the deployment of patient administration systems in hospitals. [232530]

The Minister of State, Department of Health (Mr. Ben Bradshaw): There have been 141 patient administration systems deployments in total, including 43 in acute hospitals, 23 in mental health trusts and 75 in primary care trusts.

Dr. Pugh: I thank the Minister for that ingenious reply, but the *Financial Times* last week said of the new systems that in the north, planned implementation has not happened and in the south, the contractor has been fired, and that hospital bosses generally believe that the project is near to death. Which bit of "not working" does the Minister not understand? Is it not time for a review?

Mr. Bradshaw: No; the hon. Gentleman is getting confused between full implementation and connection with the national spine in acute trusts, and the implementation of patient administration systems in general, in many cases, which has been very successful. We acknowledge that there are problems; there are always problems with computer systems on such a massive scale—the biggest IT programme in the world. There have been problems with its introduction in acute trusts, which have between 40 and 60 systems of their own, but we are working very hard, including with his local acute trust, with the provider and with Connecting for Health, to try to resolve the problems as soon as possible.

Mr. Kevin Barron (Rother Valley) (Lab): How necessary does my hon. Friend believe it to be, particularly in acute trusts, for the patient administration systems to be capable of passing on electronically patient discharge notes, so that we do not wait days and days when patients are back in the community, but wait seconds?

Mr. Bradshaw: My right hon. Friend makes a very important point in highlighting one of the real benefits of a computerised health care system, not only regarding discharge notes, but so that clinicians can exchange in real-time information about patients. Any hon. Member who has visited any systems that are already up and running successfully will have heard not just from patients but from doctors and other health professionals about the benefits that they bring to patient care.

Mr. Richard Bacon (South Norfolk) (Con): Can the Minister confirm that one of the risks that the Royal Free hospital has identified is that some of its patients may be exposed to a double dose in the radiology department because of flaws in the Cerner Millennium system?

Mr. Bradshaw: That is one of the reasons why the implementation at the Royal Free hospital has been stopped for the time being. Active discussions have been going on between the strategic health authority in London, Connecting for Health and the Royal Free to ensure that exactly what the hon. Gentleman fears could happen, could not do so. That is why the system has not been carried forward at this time.

Mark Hunter (Cheadle) (LD): The patient administration system is not the only one going wrong in the health service at the moment. Has the Minister had any opportunity to review the progress being made with choose and book? Does he understand the very significant difficulties that it causes for the very many people who do not find the system at all customer friendly?

Mr. Bradshaw: On the contrary, in many parts of the country, choose and book is operating extremely successfully. It is one of the great success stories of the national programme for IT. However, the hon. Gentleman is absolutely right that in some primary care trust areas, performance is quite unacceptable. We are working very closely with those primary care trust laggards who are not performing very well on choose and book to ensure that they come up to the performance standards of others.

Mr. Stephen O'Brien (Eddisbury) (Con): With £12 billion at risk, choose and book, and electronic prescriptions, still 50 per cent. and 75 per cent. behind the Government's target for completion last year, and fewer than 0.5 per cent. of electronic records uploaded against their target of 100 per cent. by next month, will the Minister say how many lives have been lost, delays suffered and mistakes made—affecting patients and their loved ones—that would have been avoided but for his Government's ongoing failure to design and implement a health care IT system on time and that works?

Mr. Bradshaw: The hon. Gentleman knows quite well that the £14 billion is not at risk, because he knows that one very important part of the contract—

Mr. O'Brien: It is £12 billion.

Mr. Bradshaw: Or the £12 billion. The hon. Gentleman knows that one very important part of the contract is that the costs of any delay are incurred by the supplier not by the taxpayer. That is a result of the excellent

contract that the Government drew up. He knows also that the independent National Audit Office confirmed in its report earlier this year that progress was being made in all parts of the programme, and that that was bringing real benefits in terms of in-patient care, saving lives and saving taxpayers' money.

Andrew Mackinlay (Thurrock) (Lab): Will the Minister investigate the London teaching hospitals, some of which are abusing choose and book, and even ignoring it in some cases? The Healthcare Commission is aware of the issue. It is a scandal; it is the fiddling of figures, and it is now time that the Minister, or the Secretary of State for Health himself, undertook a search and scratched the surface on the matter. London teaching hospitals are abusing the system.

Mr. Bradshaw: I shall certainly look into the points that my hon. Friend raises, but he is right to raise the concerns that were expressed on the publication a couple of weeks ago of the Healthcare Commission's annual health check, which highlighted, as I said in response to a question from the Liberal Democrat Benches, the very big variability in the performance of PCTs and trusts on the use of choose and book. That is completely unacceptable, and I shall look into the matters that my hon. Friend raises.

Mental Health Act 1983 (Sectioning)

3. **Tim Loughton** (East Worthing and Shoreham) (Con): How many people have been sectioned under the Mental Health Act 1983 in the past 12 months. [232532]

The Minister of State, Department of Health (Phil Hope): In England in 2007-08, the most recent year for which information is available, there were 28,100 compulsory admissions to hospital under the 1983 Act and about a further 19,500 detentions subsequent to informal admission.

Tim Loughton: In November 2006, the Minister's predecessor gave an undertaking that within two years no child under 16 would be detained in adult psychiatric wards, and undertakings to that effect were given during discussion of the Mental Health Bill last year. Will the Minister guarantee that that pledge has now been fulfilled, two years on, and that improvements have been made so that children in appropriate child psychiatric wards can access education so that they do not fall behind with their studies during their illness?

Phil Hope: In fact, two commitments were made at that time. The first was that within two years no one under 16 would be treated in an adult psychiatric ward and the second was that nobody under 18 would be in an age-inappropriate setting. The latest available figures, for April to June this year, show that there were only 16 bed days for under-16s on adult psychiatric wards—the lowest level since such data collection started in 2005. I shall certainly take away the hon. Gentleman's comments about the education of young people in those settings.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Under the Government's 10-year plan, mental health is meant to be a priority, along with cancer services and heart services. However, there is still growing evidence locally that money is being channelled into hospitals to meet the requirements of their plans, rather than into mental health services. What reassurance can my hon. Friend give me that that is being taken into account and that priority is being given to mental health services, as was stated in the 10-year plan?

Phil Hope: I am pleased to be able to tell my hon. Friend that no less a body than the World Health Organisation praised the Government's record on investing in mental health. We have one of the highest spends on mental health in Europe, and our spending on adult mental health services has increased by £1.7 billion in the past six years—a 44 per cent. real-terms increase for mental health services.

My hon. Friend is absolutely right. We are now looking to the future and talking to key stakeholders about our New Horizons project for mental health services. We expect to publish proposals for that future direction for mental health services next spring.

Mr. Graham Stuart (Beverley and Holderness) (Con): Less money is spent on the mental health needs of East Riding of Yorkshire residents than on those of the residents of any other area in the country. Their primary care trust receives hundreds of pounds less per head for general health needs than do the constituents of the Secretary of State for Health, who live not very far away. The primary care trust in East Riding directs just 7 per cent. of its expenditure to mental health. That is about half the national average, so there is a double whammy for my constituents. What message can the Minister send to the managers of the PCT to ensure that my constituents get a decent and proper mental health service?

Phil Hope: The obvious response is to advise the hon. Gentleman's constituents to support Labour at a future general election. Since 1997, spending on the health service has increased up to £100 billion. We are very proud of that record, and I might say to him that it is a serious issue—

Mr. Stuart: You should be ashamed of yourself.

Phil Hope: The hon. Gentleman talks about being ashamed, but he should be ashamed of the fact that his party consistently voted in every Budget against our extra spending on the national health service.

Mr. David Drew (Stroud) (Lab/Co-op): My hon. Friend will be aware that people being sectioned are among the most vulnerable. I have always supported independent advocacy in such situations. I know that there has been an improvement, but I would like someone who is sectioned, as of right, to have access to an independent advocate. Does the Minister also aspire to that?

Phil Hope: I am grateful for that thoughtful question. As my hon. Friend may know, from April 2009 we will give such people for the first time a statutory right to an independent mental health advocate. That builds on the excellent practice in some parts of the country of engaging non-statutory mental health advocates. In a few months' time, from 1 April, people who are sectioned will have a statutory right to such an advocate to help them through the system.

Anne Milton (Guildford) (Con): I warmly welcome the Minister to his new position, although we have already met across the Floor in Committee.

Despite the drop in total psychiatric admissions, the number of involuntary admissions since 1996 has increased by 20 per cent.—it is up by a fifth. Does the Minister share my concern that with bed occupancy in psychiatric hospitals now at 86 per cent., and with a drop in bed numbers of 17 per cent. since 2001, decisions on treatment for people with psychiatric illness are being made not with the clinical needs of the patient in mind, but because of a lack of, and declining, in-patient facilities?

Phil Hope: I thank the hon. Lady for welcoming me to the Dispatch Box, but she is completely wrong: all decisions are made on the basis of clinical need. She is also wrong about the number of detentions, which has remained roughly stable since 1998, at some 47,900 in 1998-99 and some 47,600 in the last financial year. We now have 64 per cent. more consultant psychiatrists, 71 per cent. more clinical psychologists and 21 per cent. more mental health nurses than in 1997. That suggests that our investment in mental health is a record that we can be proud of. Nevertheless, we will take measures to publish a new strategy for mental health services next year.

Health Inequalities

4. **John Robertson** (Glasgow, North-West) (Lab): What research his Department has undertaken into the reasons for health inequalities; and if he will make a statement. [232533]

The Secretary of State for Health (Alan Johnson): The Government's programme for addressing health inequalities is informed by a wide evidence base on the complex underlying factors, as highlighted in the Acheson Report and, more recently, the World Health Organisation report "Closing the Gap in a Generation", which was published in August and which the Government welcome and support.

John Robertson: I thank my right hon. Friend for his answer. I know that he agrees that the postcode lottery in health has to be stopped and we have to move forward. For example, in Scotland we have twice the waiting lists that people have in England. Can he assure me that such inequalities, and the problems that we have in the regions in general, can be looked into to ensure that best practice is taken forward and that the money that is supplied will go to where the needs are greatest?

Alan Johnson: My hon. Friend is right to draw attention to this crucial issue, which we regard as a huge priority. The Department of Health alone cannot tackle these issues of health inequality: we need concerted action across government involving education, planning, local government and housing. We are therefore working with colleagues in government. I suggest that the introduction of 113 new GP practices in under-doctored areas—the 25 per cent. with the least provision of GP services—goes a huge way towards making our contribution to tackling this crucial problem.

Mr. John Redwood (Wokingham) (Con): What would be the impact on health inequalities of permitting people to buy their own medicines where they were not available while keeping their NHS treatment?

Alan Johnson: I shall make a statement on precisely that point later on. The right hon. Gentleman reminds me—he is interested in health inequalities—that between the '70s and the '90s the situation on health inequalities got worse. For men of working age, comparison of the mortality rate of the unskilled with that of professionals shows that it was twice as high in the 1970s, and it ended up three times as high in the 1990s. Whatever we do, we will do much more to tackle health inequalities than the Government of whom he was a member.

Derek Twigg (Halton) (Lab): Halton has the worst rate of early deaths from cancer in England, and life expectancy is three years less than the national average. A lot of work is being done locally to improve things, but I am particularly concerned about teenage health. The chief medical officer has said that poor health in teenagers can last a lifetime. Can my right hon. Friend tell me what the Government are doing to address that concern, which relates to a group that is particularly difficult to reach?

Alan Johnson: My hon. Friend is right about the need to focus on people in this group, who sometimes miss out because we are focusing on children's and adults' services. That transition period is very important. The biggest contribution is made by public health. This is about smoking—there are still far too many youngsters starting to smoke at age 16 and even younger. The Minister of State, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), proposes to tackle that through a number of measures, including not allowing cigarettes to be sold in packs of 10. That will make a big contribution. We must also do more to tackle the problems of excessive alcohol consumption among children in their teenage years. That will be the subject of a report in the near future.

Sir Patrick Cormack (South Staffordshire) (Con): What do I say to those of my constituents who truly believe in a national health service, but who have relations in Scotland who get treatments and drugs that they cannot get in England?

Alan Johnson: The hon. Gentleman should say that that is not true. There are no drugs available in Scotland that are not available in England. It is true that the Scottish system, via the Scottish Medicines Consortium, works more quickly than the one in England, but that is because it takes its lead from the National Institute for Health and Clinical Excellence, by and large, and it does not have a consultation process. It does not consult the public on its decisions. The hon. Gentleman, as a Member for an English constituency, can take heart from the fact that the accusations he hears in his local Dog and Duck are quite unfounded.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): I am delighted that Fiona and Julian Keen in my constituency have opened a brand-new NHS dental surgery that is well supported by the local PCT, but does the Secretary of State recognise that two years on from the new dental contract, access to NHS dental services is still inadequate? What will he and the Government do to ensure that dental health inequalities are dealt with urgently?

Alan Johnson: My hon. Friend may know that a very important report on dental care has recently been published by the Health Committee, whose Chairman is in his place—*[Interruption.]* And of which my hon. Friend is a member—I was about to say that. A number of points in it are really important, not least the recitation of the history of the problem, which points out how bad dentistry was in the 1990s, and the need to introduce a new contract. The report raises issues that we need to look at. I believe that fluoridation is a major force in tackling dentistry inequalities, and a dentist said to me recently, "It gives poor kids rich kids' teeth." That is why the consultation that is going on in the south-west and will soon take place in the north-west is so important.

Mr. Paul Burstow (Sutton and Cheam) (LD): In tackling health inequalities, particularly regarding access to new drugs and treatment, does the Secretary of State agree that we should have a system that is far more transparent about NICE decisions, so that it is more accountable, and that the models used in appraisal decisions should be published?

Alan Johnson: We need greater transparency in all aspects of the process. The greatest transparency—I shall say more about this later—comes in the decisions of PCTs' exceptional circumstances committees where NICE has not ruled on a drug, and where there is a lack of transparency and consistency. That is the major problem, and we shall consider some of the issues relating to NICE that arose from a recent case. In a sense, the matter the hon. Gentleman raises is second on the agenda.

Mr. Neil Turner (Wigan) (Lab): May I urge my right hon. Friend to press the Treasury to release the moneys that have been allocated to the NHS in the current comprehensive spending review round? Will he work to ensure that the ACRA—Advisory Committee on Resource Allocation—recommendations that will be released shortly are implemented as quickly as possible so that all PCTs will have the resources necessary to eradicate health inequalities in our country?

Alan Johnson: The situation on allocations is that we are waiting for the pre-Budget report. We can then issue the operating framework along with the ramifications of the Darzi review, and that is when the ACRA report that my hon. Friend mentioned, which is crucial in tackling health inequalities, will become part of the process. He will not have to wait long; it will certainly happen well in advance of the beginning of the next financial year.

Mark Simmonds (Boston and Skegness) (Con): While my party of course agrees that reducing health inequalities must be a key priority, the Government's record has not been good, despite what the Secretary of State has said. The gap in life expectancy and infant mortality has increased during the past decade, and we have the highest health inequalities in Europe. Does he agree that there can be no reduction in health inequalities without improvement in public health driven by local control of public health budgets, accurately reflecting communities' needs and tackling social and environmental issues, overseen by locally appointed directors of public health?

Alan Johnson: I do not blame the hon. Gentleman personally, but I wonder where we would have been on health inequalities if the Black report, which was commissioned in the late 1970s but reported in the early 1980s, had been implemented. Three hundred copies were published on a bank holiday Monday, with a foreword by the then Conservative Secretary of State, Patrick Jenkin, stating that everything in the report was basically rubbish. *[Interruption.]* They are chuntering on the Conservative Front Bench, but they know that health inequalities worsened between 1979 and 1997. The hon. Gentleman might like to know that, since then, in eight years, the health of the poorest and most deprived in our nation has now reached the level that the rest of the population attained eight years ago. Infant mortality is down and life expectancy is up in spearhead areas. That shows what one can do with a Government who genuinely set tackling health inequalities as a priority. The Conservative party did nothing—indeed, we went backwards during their 18 years in government.

Occupational Therapy Services

5. **Mr. David Amess** (Southend, West) (Con): What recent assessment he has made of the adequacy of NHS occupational therapy services; and if he will make a statement. [232535]

The Minister of State, Department of Health (Phil Hope): No assessment has been carried out centrally because it is for primary care trusts, in consultation with local stakeholders, to determine how best to use their funds for improving health and to commission occupational therapy services accordingly. However, today gives me the opportunity during national occupational therapy week to thank the profession for its huge contribution to helping improve the health and well-being of service users throughout the country.

Mr. Amess: Let us deal now with 2008 issues, for which the Government are responsible. Earlier this year, my mother broke her hip while in hospital and I observed at close hand the wonderful work of occupational therapists. However, the Minister knows that, in adult social services, occupational therapists form 2 per cent. of the work force, yet deal with 35 per cent. of referrals. With health and social services becoming integrated, how will the Minister and the Government tackle the increasing number of referrals with such a small work force?

Phil Hope: First, may I wish the hon. Gentleman's mother well? I hope that her treatment proceeds successfully.

I am happy to say that the number of occupational therapists working in the NHS has increased to 17,024—an increase of some 48 per cent. since 1997. There has therefore been a huge increase in the number of NHS occupational therapists. In addition, local authority occupational therapists provide social care and help. The integration of the two services is important, and I would like more of that to happen. We have good examples, such as the Torbay care trust, which is not in the hon. Gentleman's constituency, of local authorities working closely with PCTs to create a single referral pathway for those who wish to use occupational therapists. Self-referral is also popular. Those who self-refer get much benefit from going straight to an occupational therapist and gaining the treatment that they need to give them successful lives and improve their well-being.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): An occupational therapist assessment is the first stage in accessing a disabled facilities grant. What is the point in having enough occupational therapists if there is then, as in my constituency, sometimes a two-year wait for people to get a disabled facilities grant? Work was done for one disabled child in my constituency only because the NHS intervened and paid for the adaptations that the council should have funded. Otherwise, he would have waited two years for an essential stairlift. What is the Minister doing to ensure that that is put right?

Mr. Speaker: Order. Other Back Benchers have got to be considered.

Phil Hope: I understand my hon. Friend's concern for her constituents, and she is right to express concern about waiting times that vary from one local authority to another. I hope that local authorities throughout the country, including the one to which she referred, will pay attention to the importance of speedier access when somebody has had a diagnosis and is clearly in need of some form of facility to help them with their condition.

Health Services (West Midlands)

6. **Peter Luff** (Mid-Worcestershire) (Con): What assessment he has made of likely changes in demand for health services in the west midlands resulting from new housing developments in the region; and if he will make a statement. [232536]

The Minister of State, Department of Health (Dawn Primarolo): The local NHS, in conjunction with other stakeholders, plans, develops and improves services to local people. In addition, the Department provides guidance and support to encourage local NHS services to promote well-planned, healthy and sustainable communities.

Peter Luff: The Minister knows about the genuine concern in south Worcestershire about the demand on our local infrastructure posed by the significant increase in housing numbers, planned under the regional spatial strategy—numbers that the Government want to increase still further. What reassurance can she give that the necessary increase in the area's health service infrastructure will be in place before the houses are built to ensure that existing residents and newcomers have full and proper access to the NHS?

Dawn Primarolo: As the hon. Gentleman knows, the local health service will constantly be looking to ensure that it is planning for the population that it has and for expected population growth. However, there are further requirements on both local authorities and the NHS to work together through their local area agreement to ensure that any planned housing development includes the plans for any necessary health or social care. He will know that Worcestershire PCT has formally set up a committee to look into exactly what the future growth in housing in the area may be and, therefore, what any future demands may be, including the development or expansion of Evesham community hospital.

Mark Pritchard (The Wrekin) (Con): The Minister will know that the Government have overridden many of the housing targets set by local authorities for their areas. Therefore, there is a growing disparity between the increased number of houses being put into areas and the health provision that those areas are given. An example in my constituency is that we are expected to have 30,000 new houses in a single borough in the county of Shropshire, and yet the paediatric service is about to be downgraded. Is that joined-up government?

Dawn Primarolo: I say to the hon. Gentleman that the development of housing is intended to satisfy demands in the area. The gap between the current and future population is not always that great, but he is quite right; the work has been done on the local authority side, through the requirement both to plan for the health and well-being of their populations, acting in partnership with the local NHS to look at sustainable communities and take that forward. Of course, within that will be the development of new services for the current population as well. I assure the hon. Gentleman that there is no question of extra housing being put in place without consideration being given to the future demands for health and social care.

Health Inequalities

7. **Simon Hughes** (North Southwark and Bermondsey) (LD): What objectives he has set for reducing health inequalities in (a) England and (b) Greater London. [232537]

The Minister of State, Department of Health (Dawn Primarolo): For England, the health inequalities national public service agreement target is to reduce inequalities in health by at least 10 per cent. by 2010, as measured by infant mortality and life expectancy at birth. There are additional health inequalities public service agreements to narrow the gaps in cancer and cardiovascular disease mortality and to reduce the prevalence of smoking in routine and manual groups.

Simon Hughes: Is mental health and mental illness taken into account in the assessment of health inequality? The Minister will know that south London, for example, has the highest rate of psychosis in the United Kingdom, which clearly has a huge knock-on effect in any family affected. Can she tell us that mental illness is taken into account and that it is in the Government's sights as a major issue that we need to tackle in order to reduce people's chances of experiencing mental health problems and increase their chances of being well?

Dawn Primarolo: I can assure the hon. Gentleman of that, yes. The issue is crucial to the investments that we are making in mental health and to improve the health of the nation as well. He will know that huge strides have been made in his area of Southwark in increasing life expectancy and reducing the low levels of infant mortality. In fact, progress is so good in Southwark that women now live on average for 82 years, which is higher than the English average—only just, but definitely higher.

Paddy Tipping (Sherwood) (Lab): One of the ways of reducing health inequalities is to ensure that resources follow need. When will the Minister and her colleagues be in a position to increase funding to primary care trusts that are currently below target?

Dawn Primarolo: As my right hon. Friend the Secretary of State said earlier, the announcements regarding PCTs' funding and the operational framework are expected to be made later this year. That will include the allocations arising from the working party considerations.

Mr. Gary Streeter (South-West Devon) (Con): As poor access to GPs perpetuates health inequalities, will the Minister agree to do nothing to undermine the excellent work of dispensing surgeries in rural parts of England? As she well knows, some of the proposals set out in the pharmacy White Paper threaten the very existence of some of those surgeries.

Dawn Primarolo: There are no proposals to curtail or reduce the provision of services in rural areas, and the Government have made no proposals to abolish dispensing GPs. I have said that repeatedly at the Dispatch Box in this House.

Fiona Mactaggart (Slough) (Lab): In Slough, we have seen two quite contrasting attitudes to health inequalities, as our local primary care trust was merged with those serving the much more prosperous areas of Windsor, Maidenhead and Bracknell, where people live longer. We have narrowed the age gap between Slough and elsewhere by targeting public health in Slough but, in the consultation about the new PCT, the residents of Windsor, Maidenhead and Bracknell said, "Will Slough take all the money?" Will the Minister ensure that areas of extreme need in PCTs get the resources that they need?

Dawn Primarolo: My hon. Friend raises a good question. I can assure her that, where there are small pockets of deprivation in an otherwise reasonably affluent area, resources will be directed to those areas of high health inequality within PCTs. Regardless of comments made by other residents, the Government are determined to continue to keep health inequalities at the top of the agenda so that we can narrow the gap.

Mike Penning (Hemel Hempstead) (Con): Londoners will have heard the complacent comments of the Minister today, but a more frank assessment comes from her ministerial colleague, Lord Darzi. In his report, he states that:

"healthcare in London is not equitable, either in terms of mental or physical health outcomes, or in terms of the funding and quality of services offered."

Is that something that the Minister is proud of, after 11 years of a Labour Government?

Dawn Primarolo: I am proud that all the spearhead groups in London in the areas of highest inequality are narrowing the gap. I am also proud of Lord Darzi's report, particularly in relation to London and to identifying polyclinics as the way forward to ensure that services are made available on an equitable basis to the population. That is a policy that the Conservatives have opposed.

Diabetes

8. **Ms Sally Keeble** (Northampton, North) (Lab): What proposals he has to improve NHS services available to people with diabetes. [232538]

The Parliamentary Under-Secretary of State for Health (Ann Keen): We are working with key stakeholders, including the national diabetes support team, on a range of initiatives to support the NHS in improving diabetes care. We particularly recognise the valuable role that diabetes specialist nurses play in supporting people with diabetes. In March 2008, the national diabetes support team published "Improving emergency and inpatient care for people with diabetes", which highlights the importance of the diabetes specialist team, including the specialist nurses.

Ms Keeble: I am grateful to my hon. Friend for that response. Is she aware that Friday 14 November is world diabetes day? Will she mark that day by taking up the concerns expressed by Diabetes UK about the patchwork of provision that exists across the country for this illness, which costs the NHS £1 million an hour?

Ann Keen: Yes, of course. World diabetes day is on 14 November, and this year its theme is diabetes in children and adolescents. I am pleased to say that I shall speak at the Diabetes UK parliamentary reception on Tuesday 18 November.

Sandra Gidley (Romsey) (LD): By 2025, there will be an estimated 4 million people with diabetes, yet Diabetes UK has already received reports of cuts in services. What plans does the Minister have to ensure that people with diabetes have the support that they need in order to prevent the serious complications that can result from poor diabetes management?

Ann Keen: We are in constant touch with Diabetes UK and, in particular, with its support teams working on the "Silent Assassin" campaign, which was launched on 6 October. The campaign highlights the fact that diabetes is a very serious condition that causes heart disease, stroke, amputations, kidney failure and blindness. The advertising campaign includes a series of outdoor posters as well as newspaper and consumer magazine advertising. The Department will continue to work with Diabetes UK and to encourage all primary care trusts, and the NHS in general, to continue to work on this very important issue.

Mr. James Plaskitt (Warwick and Leamington) (Lab): Is my hon. Friend aware of the Apnee Sehat programme that has been introduced in Warwickshire by Dr. Shirine Boardman? It particularly addresses the concerns of the Asian community, whose traditional cooking methods and dietary habits contribute to the very high incidence of diabetes in that community. Will she encourage other PCTs to consider such schemes as well?

Ann Keen: I welcome my hon. Friend's contribution. We are aware that the prevalence of diabetes can be up to five times higher among those from a black or minority ethnic background—for example, those from a south Asian background in the UK. That increased prevalence may be due to different underlying behavioural, environmental and lifestyle mechanisms—and, of course, the wonderful food that is produced. On a recent trip to India, I realised the seriousness of the escalation of diabetes in that country, with 40 million diagnosed with the disease and another 30 million undiagnosed. It is a serious issue, and I know that many innovative PCTs are looking into cooking methods. I would be pleased to hear more about the scheme that my hon. Friend mentioned.

Angela Watkinson (Upminster) (Con): NICE guidance recommends that newly diagnosed diabetics should have structured patient education made available to them. Given the rising number of people, particularly children, suffering from diabetes, is the Minister confident that PCTs have the necessary resources and diabetic nurses available to provide that service?

Ann Keen: The hon. Member raises an important point about education. We are working continually with the support team that published "Improving emergency and inpatient care for people with diabetes", particularly in respect of children and young adolescents. It is an extremely important programme and the diabetes specialist nurse, of course, plays a pinnacle role in the team.

Keith Vaz (Leicester, East) (Lab): In declaring my interest as a sufferer from type 2 diabetes, I welcome the Health Secretary's proposed visit to the Silver Star centre in Leicester, whose aim is to raise awareness so that people can be tested for diabetes. Will the Minister pledge to increase the resources that the Government give to voluntary projects to help the centre to do that assessment, which is so vital to people finding out whether they have diabetes?

Ann Keen: Great work has been done on diabetes in my right hon. Friend's area. Since 2006-07, the quality and outcomes framework has rewarded practices for recording the ethnicity of 100 per cent. of new patient registrations. There is, of course, much more work to do, but I believe that we have made great progress.

NHS IT Programme (Data Security)

9. **Mr. Andrew Mackay** (Bracknell) (Con): What recent assessment he has made of the security of data held within the NHS IT programme. [232539]

The Minister of State, Department of Health (Mr. Ben Bradshaw): Data held electronically can be secured using encryption and other measures that are not applicable to old paper-based systems. The NHS national programme for IT has particularly high levels of security because of the sensitive nature of the data held.

Mr. Mackay: Does the Minister accept that, with hardly a week going by without some Government Department having a serious breach of data security, patients are very worried about these sensitive matters. What real assurance can the Minister give that we will not pick up a newspaper tomorrow or next week and find out about a breach in his Department?

Mr. Bradshaw: There is no such thing as a 100 per cent. guarantee of the type that the right hon. Gentleman seeks. I hope to reassure him on his question about the national programme for IT, however, because none of the data losses over the last few months has involved that programme. It has almost entirely been the old paper-based systems of record holding that have caused the problems, which reinforces the point in my initial reply—that computer-based systems, particularly those involving the national programme, are much more secure because of encryption and other measures. Data protection is a very serious matter and we take it very seriously. We welcome the Information Commissioner's proposals to strengthen sanctions against people who breach the Data Protection Act 1998. We require all hospitals to provide information about what action they take when such breaches occur.

David Taylor (North-West Leicestershire) (Lab/Co-op): Did the Minister see the recent article in *Computer Weekly*, which revealed that the national health service has released 300 million confidential medical records—including dates of birth, postcodes, details of A and E visits and in-patient treatment—to an academic organisation outside the NHS? A further 250 million records of a similar level of detail of out-patient treatments were released. How satisfied is the Minister that the academic world will treat such sensitive information with the necessary confidentiality? Will the framework be as tough as the one he described in respect of the NHS?

Mr. Bradshaw: I could not possibly be such an avid reader of *Computer Weekly* as my hon. Friend, who takes a close interest in all matters to do with computers. However, I want to reassure him that the sort of release he refers to—I think I am right in saying this, but I shall check and write to him—is anonymised data used not only to help compile statistics on health care and outcomes, but for research purposes, which is an important function of the use of data.

Sir Nicholas Winterton (Macclesfield) (Con): To follow up the question asked by the hon. Member for North-West Leicestershire (David Taylor), does the Minister accept that, if individuals' medical records get into the public domain by whatever means, it can be very damaging to the life and perhaps even the employment prospects of a particular individual? Will he assure me that the Government will do everything possible to ensure that medical records remain private? Are there grounds for saying that there might be compensation to an individual who feels that his or her life has been adversely affected by their records becoming public knowledge?

Mr. Bradshaw: The last part of the question would be better answered by anyone who feels that they have been affected by that taking advice from their lawyer. However, I reassure the hon. Gentleman that the Department certainly places hard strictures on the NHS, including work done by GPs at local level, for that massive organisation to comply with data protection rules. There are clear responsibilities on individual health service managers at local level. They know their legal obligations, and there have been dismissals in the past 12 months as a result of data breaches. We take the issue seriously, but we are always looking to see how we can improve things.

Children's Trusts

10. **Annette Brooke** (Mid-Dorset and North Poole) (LD): What discussions he has had with ministerial colleagues on the contribution of local health services to the operation of children's trusts. [232540]

The Parliamentary Under-Secretary of State for Health (Ann Keen): My right hon. Friend the Secretary of State for Health has regular meetings with the Secretary of State for Children, Schools and Families about a range of policy and operational issues affecting the health and well-being of children. This of course includes issues relating to the operation of children's trusts. Children,

families and stakeholders have been engaged in developing the strategy over the summer. We therefore expect to be in a position to publish the child health strategy later this year.

Annette Brooke: The Audit Commission published a report last week that concluded that there is little evidence that children's trusts have improved outcomes for children. My concern is whether local primary care trusts and other health services right across the country are fully playing their role in children's trusts. The Audit Commission makes six recommendations for central Government. What action can the Minister promise to ensure that all services contribute to the improvements that we need so badly for children?

Ann Keen: The hon. Lady mentioned the Audit Commission's criticism. We are very disappointed that it chose to take such a negative approach. The headline message that has been quoted from the commission's press release is a misrepresentation of what its report as a whole says and draws on fieldwork that is now almost a year old. Since then, the children's plan sets out clearly our high ambitions for children and the role of children's trusts in delivering them. That will become more apparent with the launch of the children's strategy later this year. I believe that more information for PCTs will be announced by the Secretary of State for Children, Schools and Families on 19 November.

Topical Questions

T1. [232555] **Mr. Paul Burstow** (Sutton and Cheam) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Alan Johnson): The responsibilities of my Department embrace the whole range of NHS social care, mental health and public health service delivery, all of which are of equal importance.

Mr. Burstow: I am grateful to the Secretary of State for that answer. After a decade or more of the NHS in my constituency, covering Sutton, Cheam and Worcester Park, going in ever-decreasing circles—consulting, drawing up plans, devising strategies and holding stakeholder events—at last it has come forward with an outline business case for much-needed investment in patient facilities at St. Helier hospital. Will the Secretary of State tell my constituents just how much longer they will have to wait for the Department and the Treasury to give the go-ahead, and will he meet me and other Members of Parliament with an interest in the matter to discuss it further?

Alan Johnson: I am glad that, despite the long period of consultation, plans are now coming forward. I cannot give the hon. Gentleman any idea of how long the process will take, because I am not aware of the situation, but I will be after we have met, and I very much welcome a meeting with him and his colleagues.

T4. [232558] **Mr. Lindsay Hoyle** (Chorley) (Lab): My right hon. Friend received a nice invitation to visit Chorley and Preston hospitals. I believe that there is a great success story there. My right hon. Friend ought to come and see how the access treatment service centre is working under the NHS. He could learn from that, and I believe that it would be a good visit. Will he reconsider his position, and visit those hospitals sooner rather than later?

Alan Johnson: I was not aware that I had taken a position, but I would very much like to go to Chorley and see Hoyleism in practice.

Norman Lamb (North Norfolk) (LD): The Secretary of State will be aware that the number of care home residents who have died as a result of clostridium difficile trebled between 2005 and 2007. I believe that the number is now 438, which is a horrifying death toll. Given that the Government have focused largely on tackling the problem in hospitals, what steps is he taking to address the problem in the wider community and does he agree that there must be zero tolerance for low hygiene standards in any health or care setting, wherever it is?

Alan Johnson: I agree that this is a crucial issue. We have not been concentrating on reducing the number of cases of clostridium difficile in hospitals to the exclusion of social care. Indeed, we have insisted on proper records being kept, and by next year we shall have in place a registration system for care homes that will be an important factor in raising standards. Our campaigns to increase awareness of the dangers of over-prescription of antibiotics, the need for people to clean their hands, and all the other issues that apply to hospitals have been conducted in care homes as well.

We do need to ensure that there is no continuing increase in clostridium difficile cases in care homes. I believe that the registration scheme will be the biggest single factor in helping us, but we must take all the other measures as well to ensure that we do not see any further increase in cases in adult social care.

T8. [232563] **John Robertson** (Glasgow, North-West) (Lab): Will my right hon. Friend allay my fears about the problems with clostridium difficile, which is on the increase in Scotland, by ensuring—through his cross-border discussions with the Scottish Executive and, for that matter, with the Welsh Assembly and the Northern Ireland Assembly—that best practice is shared so that everyone receives the same deal in the NHS?

Alan Johnson: My hon. Friend will know that, according to the latest statistics relating to the period between April and June, there has been a 38 per cent. decrease in cases of clostridium difficile among those over 65. That builds on decreases of 32 per cent. in the preceding quarter and 22 per cent. in the quarter before that. All those figures are in comparison with the same quarter in the previous year.

This is a national health service, and we are constantly in touch with the devolved Administrations to discuss how we can learn from each other about tackling these issues. As I said in my reply to the hon. Member for North Norfolk (Norman Lamb), there are three basic messages: the need for clean hands, responsible prescription of antibiotics, and the provision of cohort nursing and isolation facilities when outbreaks occur. Those three simple messages must be repeated over and over again.

T2. [232556] **Tony Baldry** (Banbury) (Con): In Oxfordshire, we all want to see the Oxford Radcliffe Hospitals NHS Trust succeed. Will the Minister confirm, however, that when the trust draws up its business plan for foundation trust status, it cannot expect year-on-year funding increases greater than the predicted funding increases for Oxfordshire primary care trust? Will he also confirm that when members of the independent reconfiguration panel speak of the need for county-wide health proposals, they, and the Secretary of State, expect exactly that—county-wide health proposals for Oxfordshire, not just Oxford-focused proposals?

The Minister of State, Department of Health (Mr. Ben Bradshaw): When the independent reconfiguration panel reported, my right hon. Friend the Secretary of State made it absolutely clear that he accepted its recommendations in full, so the answer to the second part of the hon. Gentleman's question is yes. As for the first part, I have been reassured by the Radcliffe that it is entirely aware that its financial planning must reflect the commissioning planning of the primary care trusts, and that it must continue to work closely with Oxfordshire PCT to ensure that it delivers what the hon. Gentleman wishes to see.

Dr. Ian Gibson (Norwich, North) (Lab): Will my right hon. Friend consider delaying his statement on co-payments until he has accepted that the exceptional cases and disparities across the country should be handled first? Does he agree that if they were handled first, there might be no need for co-payments?

Alan Johnson: My hon. Friend really ought to listen to the statement, because the issue that he has raised will feature in it.

T3. [232557] **Ann Winterton** (Congleton) (Con): Given that UK-trained radiographers demonstrate best practice, why is no funding available to provide courses for the statutory 30 days' academic study, so that those who wish to return to practice after a five-year break, for example to have a family, can do so? Does it not make good economic sense to support motivated returners so that they can enhance the UK's radiography skill base, rather than relying on attracting foreign nationals?

Alan Johnson: The hon. Lady's point sounds eminently sensible. Perhaps she will allow me to look into it and come back to her.

Mr. Eric Illsley (Barnsley, Central) (Lab): The medical director of my local NHS hospital trust has reported great difficulty in recruiting doctors to essential positions in the hospital below consultant level as a direct consequence of the restrictions placed on the number of international graduates coming into the country last year. Does my right hon. Friend have any proposals to review that system, as it would appear that there are too few doctors for the posts that are now available?

Alan Johnson: I am perfectly willing to speak to my hon. Friend about the problems in his patch, but the issue here is that we cannot have both a policy of self-sufficiency and an open-door policy. We now have the medical schools in place to produce our own graduates for jobs. The contribution made by international medical graduates has been enormous, but we ran into problems a couple of years ago because there were sometimes as many as 20 or 25 applicants for every position, and that does not make sense if the British taxpayer is putting more money into training our own graduates. We took measures this year to ensure that that situation did not arise, but I am perfectly willing to talk about any problems occurring in any part of the country, and particularly in my hon. Friend's constituency.

T6. [232561] **Peter Luff** (Mid-Worcestershire) (Con): Did the Minister of State, the right hon. Member for Bristol, South (Dawn Primarolo), really mean her answer to my hon. Friend the Member for South-West Devon (Mr. Streeter) that the Government have no plans that will adversely impact on GP dispensing? I have received literally hundreds of letters from constituents who all share my view, and the view of GPs, that three of the four proposals in the current consultation document would seriously adversely impact on GP dispensing and, therefore, the rural areas they serve, and only one—option 1, which recommends the status quo—is acceptable.

The Minister of State, Department of Health (Dawn Primarolo): Yes, I did seriously mean that answer, and if the hon. Gentleman refers back to the consultation document, he will see that it sets down four possible ways of looking at an issue that has not been reviewed for more than 60 years, but there are no specific proposals to do anything. [HON. MEMBERS: "Oh!"] There are no specific proposals to do anything, as that is not the purpose of the consultation. So if the hon. Gentleman is saying the Government intend to abolish GP dispensing, that is not true.

T7. [232562] **John Bercow** (Buckingham) (Con): Can the Secretary of State reassure me that, when the child health strategy is eventually published, I shall have cause to dance around the mulberry bush in joyous appreciation of its explicit commitment to take forward the speech and language agenda, or will the Treasury have spoiled my fun?

Alan Johnson: The hon. Gentleman did a first-class piece of work on behalf of myself and the Department for Children, Schools and Families. He will be ecstatic when he sees the results of the child health strategy review, and I will dance around the mulberry bush with him.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Speaking at the men's health forum event in Manchester last week, I was struck by some of the innovative projects around the country to tackle the inequalities in men's health, but there was a common theme for all those projects: they were innovative and they worked, but their level of funding was unsustainable. When the physical activity strategy is launched, will my right hon. Friend ensure that we try to find out which projects work, and then fund them and deliver them right across the country, rather than think of new pilot projects?

Dawn Primarolo: Yes, I can give that assurance to my hon. Friend. Where such projects are clearly working, it is important that that experience is shared with other areas and its benefits taken forward. We must focus on that.

Mr. Andrew Lansley (South Cambridgeshire) (Con): Can the Secretary of State explain why he believes it is wrong for a cancer patient to pay £7.10 for a prescription in the community, while at the same time they can be made to pay more than £1,000 for a bowel cancer drug, despite its being recommended by their hospital doctors?

Alan Johnson: We are straying into the territory that will shortly be the subject of my statement. The issue of charging for drugs that are not available on the national health service is important, and I believe that I picked the right person to look into it. When I make my statement in a few minutes, I believe that hon. Members on both sides will agree that he has done an excellent job of the task that we gave him.

Mr. John Grogan (Selby) (Lab): Does the Secretary of State agree with the findings of the Rarer Cancers Forum's survey of English primary care trusts, which concluded that the wide variety of processes used to determine exceptional cases causes confusion among patients, that things are often dominated by administrators rather than by clinicians, and that results are sometimes not produced in a timely fashion?

Alan Johnson: I do agree with my hon. Friend. As I mentioned, we need to address that issue about transparency, consistency and a lack of clarity. If he remains in his place, he will hear that some very important proposals in that area are contained in the report from Professor Mike Richards.

David Tredinnick (Bosworth) (Con): I am still concerned that there are no proper guidelines for practice-based commissioning or polyclinics in relation to integrated health care and that at a time when Lord Darzi is recommending innovation and choice for patients, there is no proper thinking in the Department about what to do in respect of herbalists, acupuncturists and homeopaths, who want to make their contribution. What does the Secretary of State have to say about that?

Alan Johnson: I hope the hon. Gentleman will accept that we have announced that we will run some pilots on how to have more integrated primary care and that we have had huge interest from PCTs all over the country. He should welcome this step forward, given his long history of supporting alternative and complementary medicines.

Greg Mulholland (Leeds, North-West) (LD): I welcome the new Care Services Minister to his post and wish him the very best in this important role. I acknowledge the advances on hospice funding in the end-of-life strategy, but I am sure he will acknowledge that hospices still face a huge struggle to raise the funds that they need to survive. This year is the 30th anniversary of Wheatfields hospice in Headingley in my constituency—a happy event—so I invite him to join me, if he has the time, to visit that wonderful institution to see the work that it does.

The Minister of State, Department of Health (Phil Hope): I thank the hon. Gentleman for that kind invitation. He is right to say that end-of-life care is a matter that the whole House should take very seriously, because palliative care services are essential. The Government are pushing the dignity and respect campaign right across the country, with 3,000 or 4,000 people asking how we can treat older people with dignity and respect when they need social care. Dignity and respect at the end of life is a particularly important part of that. He invited me to visit his constituency to see a particular hospice, and I am happy to check my diary to see whether I can accommodate that request.

Democratic Republic of the Congo

3.33 pm

Mr. William Hague (Richmond, Yorks) (Con) *(Urgent Question):* To ask the Foreign Secretary if he will make a statement on the security and humanitarian situation in the Democratic Republic of the Congo.

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): Recent fighting in the Democratic Republic of the Congo has further worsened a dire humanitarian situation. The displacement of an additional 55,000 people in North Kivu in the past week compounds the suffering that has continued for years. Access to food, sanitation and shelter is urgently needed. My right hon. Friend the Foreign Secretary saw the suffering caused by the violence at first hand when he visited DRC on 1 November. We are determined that that suffering should be effectively addressed. The UK has increased its commitment to provide humanitarian aid, and we are supporting flights to help meet the immediate needs of displaced people in the region. We urge all parties to observe the current ceasefire and allow humanitarian access to those affected by the fighting. Contingency planning is under way to strengthen the provision of aid to those who need it.

The issues underlying the violence are political. The leaders of DRC and Rwanda need to co-operate to reach political solutions to those issues, and in that regard I welcome the appointment by the UN Secretary-General of former President Obasanjo of Nigeria as his special envoy to facilitate this process. I also commend the action taken by the chairman of the commission of the African Union in appointing an emissary, who will travel to Kinshasa tomorrow. It is right that regional partners should play a role in the efforts to stabilise this volatile region and encourage stronger relations between neighbours. We will continue to do everything possible to bring peace to the region.

Mr. Hague: I thank the Minister for providing that answer in the Foreign Secretary's absence.

In view of the precarious humanitarian situation in DRC, including the loss of life, the risk of the spread of violence and the danger to peace, and the possible deployment of British forces, which has been mentioned, I hope that the Minister agrees that it is important that the Government continue to update the House as the situation develops. The Opposition are pleased that the Foreign Secretary visited the region quickly at the weekend. We support the work that he has done, his close co-operation with the French Foreign Minister and the product of that mission.

I would like to question the Minister on four matters: the first is the scale of the humanitarian problem. It is said that 500,000 people are on the move without camps or fixed locations to go to. That is a fairly desperate situation. Does he have any more information about that?

The second matter is the continuing role of United Nations troops. The House will be aware that the largest UN deployment in the world is in DRC; it involves 16 countries. What is the disposition of those forces? Where and how are they deployed? Can the Minister comment on their strength and effectiveness? The head of UN peacekeeping operations is in the Congo assessing the situation. When will he report to the UN Security Council? Five thousand UN troops are meant to be providing protection for aid. Is the Minister satisfied that those troops have the organisation and capability to do that effectively, especially given that the commander of the UN forces has resigned?

The third matter is the involvement of UK troops. Last night—I think—the Foreign Secretary said:

"We are not ruling out sending British troops to back up the UN force".

A few days previously, the Minister for the Middle East and Africa, Lord Malloch-Brown, said that that option had to be

"developed and on the table".

How developed and on the table is it?

Fourthly, on the politics of the situation, the joint ministerial statement between the Foreign Secretary and the French Foreign Minister rightly stated that the first priority was that the DRC Government

"Should take proper command of its forces, honour its obligations under the Nairobi Accords and establish channels of communications with all communities in the country and its neighbours".

In the Government's opinion, are those things beginning to happen? Is the Minister satisfied that all possible pressure is being exerted on General Nkunda to ensure that his forces lay down their arms?

The Foreign Secretary and French Foreign Minister have warned both the Congolese and Rwandan leaders that they will be held to account for any further fighting. Can the Minister say more about how it is proposed that they will be held to account? Has he raised that matter with the International Criminal Court, which is already involved in the Congo?

Finally, in welcoming the impending visit by the UN Secretary-General to the region, and other initiatives, including those of the African Union, how confident is the Minister that the Congolese and Rwandan leaders will be persuaded to pursue existing road maps on disarmament, integration, transitional justice, resource sharing, institution building and so on? Does he agree that, if the responsibility to protect is to mean anything, the UN has to demonstrate how it will assert its collective responsibility never to allow anything like the 1994 Rwandan catastrophe to occur again?

Bill Rammell: I thank the right hon. Gentleman for those questions and the tone in which they were put. It is certainly imperative that the Government keep the House up to date. Like him, I think that the Foreign Secretary's visit at the weekend was exceedingly timely and constructive.

The humanitarian situation is bleak: 55,000 people have been displaced in the last week, which makes the figure 250,000 since August and 850,000 in total. That is very concerning.

On troop levels, the right hon. Gentleman is right to point out that the MONUC force —the UN force in DRC—comprises 17,000 troops and is, therefore, the largest peacekeeping force in the world. Some 85 per cent. of the force is located in the eastern part of DRC. However, the first and overriding priority of the international community is to ensure that MONUC is

[Bill Rammell]

effectively deployed. We are pressing, even today, to ensure that the troops are deployed in the right places for the maximum impact.

The right hon. Gentleman asked about the involvement of British troops. We have made it clear that that is on the table as a last-case contingency provision, but even if we were to consider that, it is certainly not our immediate priority. Our immediate priority is to ensure that the MONUC force works effectively, because it is a substantial force. Were we to consider a contribution of further troops, we would do that in conjunction with our international partners on a contingency basis. We would need to be very clear about how any additional forces could supplement MONUC's efforts. A hasty, poorly planned deployment could complicate the situation further, which is why we are focusing all our efforts on ensuring that MONUC, which has the troops on the ground, operates effectively.

The key to the situation is a political solution. It is welcome that President Kikwete has given a commitment to bring the two leaders together within the region. As the shadow Foreign Secretary pointed out, there are road-map commitments and a potential solution in place. We all need to use all our efforts to ensure that those solutions are taken forward.

Mike Gapes (Ilford, South) (Lab/Co-op): The Minister will be aware that the Democratic Republic of the Congo is a vast country with 60 million people, most of whom earn less than half a dollar a day. It is very poor, yet very wealthy in resources. Does he agree that this long-standing problem will not be solved in Kinshasa but through its neighbours and by addressing the conflict between the Tutsi and Hutu peoples of the area around the lakes? An intensive political effort, particularly involving Rwanda, is required to get the political solution that is called for.

Bill Rammell: I very much agree with my hon. Friend that the situation requires a political solution. I know that he has taken a strong interest in the issue. It requires a political process between Tutsis and Hutus, as well as political engagement between the DRC and Rwanda. There is also an important key role to be undertaken by the AU. In that regard, I was pleased by the announcement that the AU will send its own envoy, Ibrahima Fall, to contribute to the process.

Mr. Edward Davey (Kingston and Surbiton) (LD): The Foreign Secretary is to be commended for his action in recent days, working with his French counterparts. The Liberal Democrats strongly support the urgent and courageous humanitarian efforts that are now under way. He has rightly been cautious in promising British troops, given the appalling overstretch suffered by our forces in Iraq and elsewhere. The proposal for an EU force to back the UN mission that was discussed in the other place yesterday would have our support.

Is there not a strong case for Britain and the EU to do more to offer cash, know-how and logistical support to any reinforcements that AU countries are prepared to offer to MONUC? Is it not also vital to clarify the mandate of the UN mission to ensure that it can operate independently of the Congolese army, given its involvement in human rights abuses?

The Foreign Secretary has rightly stressed the roles of Presidents Kabila and Kagame in finding a lasting political peace, but does the Minister accept that a sustainable solution has an economic dimension, which will also require better control of the vast mineral resources that attract and fund the militias? Will the Minister assure the House that all UK companies involved in the illegal mining and minerals trading that is fuelling the conflict will be investigated and that this summer's welcome action against DAS Air and Afrimex was not a one-off?

Finally, given that large parts of the global electronic consumer industry are mostly dependent on minerals primarily found in the eastern Congo, will the Minister take action to press for such industries to be forced to explain their sourcing policies and procedures?

Bill Rammell: I thank the hon. Gentleman for those questions. Cash certainly has a role to play, and we are one of the biggest bilateral aid donors to both DRC and Rwanda. It is clear that the UN mission has a role both to monitor and to enforce the accords that are being put in place. Ultimately, as the hon. Gentleman has pointed out, there needs to be a negotiated, political solution based on the commitments in place already. There is an economic driver for the present situation, in that the region has economic resources. We have been at the forefront of pressing, at international level through the UN, for the extractive industries transparency initiative as a way to ensure that there is effective governance and so that corruption and killing are not driven by a desire for economic profit.

Mr. Eric Joyce (Falkirk) (Lab): I agree with my hon. Friend that a political solution is the key, but does he accept that there can be no long-term solution until the DRC army—the FARDC—has sufficient capacity?

Bill Rammell: That is why it is critically important that the MONUC force—which is on the ground and which, as I have said on a number of occasions, is the largest peacekeeping force anywhere in the world—operates effectively and is deployed in the right places. That is the argument that we are making, and the process needs to be taken forward.

Rev. Ian Paisley (North Antrim) (DUP): I am sure that the Minister is aware that there has been a religious emphasis in some of the deaths that have taken place. I myself have lost my dearest friend, a missionary who was murdered along with his wife and four children. That had nothing to do with anything that he was doing but, in the midst of the terrible rebellion, there was terrible killing. I trust that the Minister and our Government will do their best to ensure that people whose work has a religious context have adequate protection.

Bill Rammell: I can certainly give the commitment that we are seeking to do everything that we possibly can in that regard. There has been a religious element to the killing, but fundamentally it has been driven by a conflict of interests in respect of economics, politics and land ownership. That is why we need a political solution, and that is what we are pushing for very strongly.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): My right hon. Friend the Foreign Secretary went to the Congo at the weekend, with his French counterpart. Will my hon. Friend the Minister say whether they had discussions about the need for reinforcements for peacekeeping troops? If so, did they discuss whether it would be better to have an EU force to supplement the existing UN force, or for EU countries to contribute directly to a UN force?

Bill Rammell: Obviously, our contingency planning has to take account of all eventualities, but I repeat that we have the largest peacekeeping force anywhere in the world on the ground in DRC. That force has to operate effectively, which means that the troops have to be deployed in the right places and the mandate needs to be clear. That is the focus of our efforts at the moment, in conjunction with providing humanitarian support.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): The Foreign Secretary deserves support for his diplomatic initiative, and there is no doubt that further humanitarian, economic and political initiatives can be taken. However, do the Government accept that it would be very unwise to create expectations that cannot be realised, and in particular to create ambiguity about the possibility of any significant military contribution by Britain? Will the Minister acknowledge that the UK's other commitments in Afghanistan and elsewhere mean that it is not in a position to make more than a purely symbolic contribution? In the circumstances, does he agree that it would be much more honest and wise, and in the best interests of all those involved, to make that clear at this stage rather than to dwell in ambiguity?

Bill Rammell: I respect the right hon. and learned Gentleman for his experience and knowledge in these areas, but I do not think that there has been ambiguity in our position. In everything that I have said today, and in everything that my right hon. Friends the Foreign Secretary and Prime Minister have said, it has been made abundantly clear that the focus of our efforts is to maximise the opportunity for the UN force on the ground to do its work effectively. That is what we are focused on, and I think that that is the right way forward.

Hugh Bayley (City of York) (Lab): It is not just the number of troops that MONUC has that is important, but how they are commanded and controlled. What can developed-country militaries—such as ours, NATO's and the EU's—provide to strengthen MONUC's ability to use the forces that it has at its disposal?

Bill Rammell: We already have advisory support in place, and that will be part of our thinking as we go forward. A number of partner nations contribute to the troop levels of the MONUC force, but in addition there is advisory support, and we will keep that under review.

Sir Peter Tapsell (Louth and Horncastle) (Con): While the immediate need is to try to mitigate the appalling suffering of the refugees, may I ask the Minister whether, in future, even more serious and urgent consideration, above that which he has already mentioned, will be given to one of the root causes of the problem, which is the scramble by foreign firms for the control and exploitation of the mineral wealth of the Congo? That leads to the funding of the so-called warlords, who buy a great deal of weaponry, with which they dominate and terrify the civilian population.

Bill Rammell: I acknowledge that there is an economic dimension to the conflict, and that is why, as I say, we have strongly supported the extractive industries transparency initiative at UN level. We are fooling ourselves if we do not acknowledge that there is a significant political, ethnic conflict taking place. That has to be addressed, but it can only be done through a political solution. In particular, it means that the Presidents of DRC and Rwanda have to come together, with regional partners and international support, to make political progress.

Mr. Chris Mullin (Sunderland, South) (Lab): Although the Congo is a vast country, the area in which the chaos has occurred is relatively small—not much larger than Sierra Leone. Given the disorganised nature of all the armed groups in the area, it is a place where a relatively small but well-disciplined and well-organised outside military force, under the command of MONUC or whoever, could make a difference, as the French demonstrated with Operation Artemis some years ago. One recognises the constraints, given our commitments elsewhere, but I hope that my hon. Friend and the Government will not rule out our making a contribution to whatever force eventually restores order there. Enforcing whatever political agreement is reached will have to be done by outsiders, because the internal forces are absolutely incapable of doing it.

Bill Rammell: I pay tribute to my hon. Friend; I know from having worked with him at the Foreign Office that he has enormous experience on this issue. He is right to stress that we are talking about a relatively small part of DRC. That is why our efforts are focused on ensuring that the MONUC force on the ground is appropriately and adequately deployed in the area. We do have some challenges, in that some of the international partners that form part of the MONUC force have caveats relating to their deployment. We are seeking to remove those caveats, so that we can deploy as effectively as possible.

Malcolm Bruce (Gordon) (LD): Britain has become one of the biggest donors in DRC precisely because we wanted the country not to move back into a conflict situation; as most post-conflict countries sadly do within five years. Will the Minister acknowledge that, in the short run, we must have international forces to deal with the crisis, but in the long run we have to develop the capability of a well-disciplined army and police force to enable the Government of the Congo to govern the country? EU countries have been noticeably reticent about providing the support and training for which they have been asked. What can we do to ensure that they play their full part?

Bill Rammell: The right hon. Gentleman is certainly correct to identify that we are, and have been, a very substantial aid donor. Through the Department for International Development, we are committing £300 million over three years, and that is making a difference. The £5 million that was announced by the Secretary of State for International Development last Friday is already helping to facilitate aid missions from UNICEF and others in beginning to make progress. In the longer term, as he says, increasing the capacity for self-governance of DRC and others is critically important. We are making a contribution; we need to ensure that all states are making the contribution as effectively as possible.

Mary Creagh (Wakefield) (Lab): I congratulate my hon. Friend on the steps that have been taken. May I press him on the role of children, who are recruited by those on all sides? May we have absolute clarification that MONUC and UNICEF will be empowered to identify and remove children who are involved with the warring factions? The Congo has an appalling record on children's rights. One in five children dies before they reach their fifth birthday. May I also ask him for clarification of the UN's role, and whether it is allowed to enforce civilian protection to allow humanitarian aid to get through? Finally, may I ask him—

Mr. Speaker: Order.

Mary Creagh: I will leave it there, Mr. Speaker.

Mr. Speaker: Hon. Members should ask one supplementary question; I have given the hon. Lady two.

Bill Rammell: I thank my hon. Friend, who I know takes a real interest in these issues. Certainly, here and elsewhere in the world, her concern about the plight of children involved in conflict is critical, and the issue will be at the forefront of our thinking and planning. MONUC has not only a monitoring role but, importantly, an enforcement role—to enforce the accords that are already in place and, in particular, the zones of separation, which were announced through the UN. Ultimately, it has to be one of the building blocks for our substantive progress.

Mr. Bernard Jenkin (North Essex) (Con): May I reiterate the point—I think it is a strong feeling in the House—that our armed forces are already doing enough, if not too much? It really would be intolerable if British armed forces were called on once again to stretch themselves even further when so few of our European allies contribute significantly to current operations.

Bill Rammell: Like the hon. Gentleman, I think that our troops are doing a superb job in many parts of the world. It would be irresponsible to rule out contingencies, given what is a very difficult situation, but all our efforts and statements have made it clear that our overriding priority is to ensure that MONUC operates effectively and is deployed effectively. It is the biggest peacekeeping force anywhere in the world, and we want it to succeed.

Mr. David Drew (Stroud) (Lab/Co-op): When one goes and sees the MONUC force, it is actually very impressive, but we know that too often in the past troops have either been badly led, as my hon. Friend the Member for City of York (Hugh Bayley) said, or, more particularly, not been paid, which has led to ill discipline and problems on the ground. Will the Government ensure that, at the very least, the UN and all those who contribute to the force pay up front to make sure that it is equipped and able to do the work that it has set out to do?

Bill Rammell: My hon. Friend makes a powerful argument. We have a need, through the United Nations, for international peacekeeping forces, and given that need, it is critical that the troops in place are led effectively and properly paid. It has always been a priority for the Government, and it will continue to be the case here and elsewhere.

John Bercow (Buckingham) (Con): Further to the Minister's response to the right hon. Member for Gordon (Malcolm Bruce) about British aid to DRC, and in light of speculative reports about the less than wholly helpful attitude that the Government of Rwanda have taken thus far, reports about which the Minister will probably wish to be suitably circumspect, will the Foreign Secretary nevertheless remind the Rwandans of our strong aid relationship with them, including the relevant memorandum of understanding?

Bill Rammell: The hon. Gentleman is right to caution against irresponsible language in a fast-moving situation. He is right also to point out that this year we are committing £46 million to Rwanda. In this debate, it is important to make it clear that, even in this very difficult situation, some progress is being made. The military situation overnight in Goma town remains calm and under control; efforts are under way to reinforce troops in Goma; and humanitarian activity is slowly improving as access slowly improves. That is one of the key fundamentals in the situation. We must ensure that the non-governmental organisations and aid agencies gain access to the most acutely affected areas.

Rob Marris (Wolverhampton, South-West) (Lab): Another key fundamental is respect for the rule of law. Will my hon. Friend assure me that the Government will press General Nkunda to hand over his military chief of staff, Bosco Ntaganda, for whom I understand there is an International Criminal Court warrant outstanding?

Bill Rammell: Those individuals who have committed such crimes need to be brought to book. That has certainly been a key part of our focus. Indeed, the Nairobi agreement was a clear political process that was negotiated between the two countries and saw a way forward on this issue. That still remains on the table, and we are pushing very strongly to ensure that it happens.

Norman Lamb (North Norfolk) (LD): I noted the Minister's response to the concerns raised earlier about the role of commercial interests. However, may I draw his attention to the UN panel of experts report, which specifically listed companies and individuals implicated in what it described as a multi-billion-dollar theft of the country's natural resources? The report also described the role that that played in sustaining the conflict. Yet none of those interests—none of those individuals or companies—was ever brought to justice. Is there not a need for an international system to ensure that when companies or individuals are found to have breached fundamental rules, they are brought to justice?

Bill Rammell: As I said, there is an economic dimension. We have called and argued for transparency initiatives at an international level to help and facilitate the process. However, we are deluding ourselves if we think that the economic dimension is the sole driver of the conflict. There is a serious ethnic-political conflict, which needs to be addressed through a political solution in the region.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I reinforce the view of my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind)? British forces are heavily engaged—

indeed, overstretched—in Iraq and Afghanistan. Any significant deployment to the Congo would seriously dilute the resources available to British forces in Afghanistan and Iraq. That must not happen.

Bill Rammell: We are in danger of repetition on this issue. However, I understand the concerns being put forward. We would be irresponsible to rule out contingencies, but our overriding priority, in the United Kingdom and the international community, is that MONUC forces should be deployed as effectively and appropriately as possible. That is where our thinking is at the moment.

Dr. Andrew Murrison (Westbury) (Con): Although it is good to get some measure of clarification from the Minister about the deployment of our already overstretched troops, will he confirm that he will do what he can, with his colleagues, to make it clear to our European allies that any participation in central Africa should not be at the cost of a full and proper engagement in Afghanistan?

Bill Rammell: We have certainly made the case that a number of partners should commit more effort to the situation in Afghanistan, and we will continue to make those arguments. Notwithstanding the desire for that, some genuine progress is being made in Afghanistan and we need to reinforce that.

Mike Penning (Hemel Hempstead) (Con): If there is the slightest possibility of our overstretched troops being sent to the Congo, pre-deployment training and the ability to get ready will be the most important things. How many troops are likely to be sent, and when will the units be told? They will need to get the pre-deployment in place.

Bill Rammell: With respect, the hon. Gentleman is getting ahead of himself. As the Foreign Secretary, my noble Friend Lord Malloch-Brown and I have made clear, we would be wrong to rule out contingencies. However, the overriding priority for us and the international community is to ensure that the MONUC force, which I state again is the largest peacekeeping force anywhere in the world, acts and operates effectively.

Tony Baldry (Banbury) (Con): There is another angle to this issue. In 2005, every member of the Security Council and of the General Assembly signed up to the concept of the responsibility to protect, which, if need be, involves peacekeepers and peace enforcement. At present, disproportionately few members of the United Nations are contributing to UN peacekeeping. It is one thing for all those countries to sign up in New York to concepts such as the responsibility to protect, but they then have to deliver to the Secretary-General by being willing to contribute peacekeepers. Other UN member states do not have enough peacekeepers in Darfur, let alone in the Congo. When will we see the countries that subscribe to the responsibility to protect contributing to the UN by way of peacekeepers?

Bill Rammell: I know that the hon. Gentleman has taken a real interest in this issue, and I agree with a lot of what he has said. We do need international peacekeeping forces. If we are to ensure that policing the world—for want of a better phrase—is not to be left to one or two superpowers, others have to step up to the plate. We make the argument in respect of that political challenge, and I welcome the hon. Gentleman's support for it.

Mr. Andrew Mackay (Bracknell) (Con): Notwithstanding the possibility that the Minister will accuse me of repetition, is it not essential that the House should send a clear message to our European partners that if European Union troops are needed, as I suspect they might be, they should come from nations that failed to deploy in Iraq and Afghanistan? That message should go out loud and clear this afternoon.

Bill Rammell: I hear what the right hon. Gentleman is saying, but the other important point to make is that there is no military solution to the situation in eastern DRC without a political solution. That is why the efforts of the Secretary-General, who is sending an envoy to the region, are particularly important. The agreement from the African Union to convene the two leaders is important, as is the appointment of an emissary from the African Union. That political process needs to start being developed.

Mr. Crispin Blunt (Reigate) (Con): The price being paid by the people of the Democratic Republic of the Congo is a graphic demonstration of the fact that conflict is the most lethal way of demolishing our nation's development objectives for the relief of poverty in other parts of the world. The Minister responded positively to two other hon. Members about the importance of the army of DRC, if it were properly trained, being an instrument to help to prevent conflict in DRC. Presumably training that army is a proper objective of British development policy.

Bill Rammell: The national forces in DRC play a key role in this respect. We must do everything possible to ensure that those troops can operate effectively, and that remains our thinking.

Mr. Stephen O'Brien (Eddisbury) (Con): I thank the Minister for paying tribute to His Excellency Jakaya Kikwete, the President of Tanzania. I, and the other members of the all-party group on Tanzania, wish to do everything that we can to support those good offices in helping to broker dialogue.

I declare an interest as chairman of the Malaria Consortium—we have people of our own out in the area at the moment. I hope that the Minister can give an extra assurance that MONUC and the other forces that are out there, including those in Uganda and Rwanda, can help to protect the aid workers and to ensure that they have access, as they require. We must also ensure, as a priority, that the World Food Programme is mobilising to supply through those countries, and that we do not hear further stories about the need first to count the people. We know that there are 500,000 people on the move; now we need to start getting the supplies to them and for those forces to be protected.

Bill Rammell: The hon. Gentleman is right: there are various elements to this process, and the political one is key. However, given the acute humanitarian concern—in the past week, 55,000 people have been displaced—we absolutely have to ensure that the aid agencies and non-governmental organisations have the access to ensure that they can get the support through. That remains a fundamental objective and priority. Our recent commitment of extra aid on top of that which was already being given is helping to facilitate that process. The push for a political settlement is at the top of our agenda.

NHS Patients (Access to Medicines)

4.7 pm

The Secretary of State for Health (Alan Johnson): With permission, Mr. Speaker, I should like to make a statement about Professor Mike Richards's review of current policy concerning NHS patients who wish to pay for additional private drugs.

I start by paying tribute to Professor Richards and his review team for the diligence with which they have conducted this review. The report is informed by evidence from thousands of patients, carers and clinicians across the country, and it was completed with necessary urgency but without in any way compromising its thoroughness. The time scales that I set were deliberately challenging, because this issue is causing great concern and distress to a number of patients and their families.

The review's terms of reference were to examine current policy relating to patients who choose to pay privately for drugs that are recommended by their clinician but not funded by the NHS and who, as a result, are required to pay for the NHS care that they would otherwise have received free of charge. I also asked Professor Richards to make recommendations on whether policy or guidance could be clarified or improved.

Professor Richards quickly identified the underlying causes of the problem. His review starts from the fundamental principle that the NHS provides a universal and comprehensive service to all its patients, free at the point of need. During the Second Reading of the NHS Bill in 1946, Nye Bevan described the financial anxiety endured by people seeking medical help as the "first evil" that the NHS must vanquish. Yet Professor Richards's report shows that access to certain treatments on the NHS, particularly drugs for the terminally ill, is inconsistent, and as a result a very small number of patients feel that they have to pay for additional treatment and are worried that in doing so they will jeopardise their entitlement to NHS care. His report makes recommendations not only to revise the guidance for those exceptional and rare circumstances, but to improve access to certain drugs on the NHS, reducing the need for such patients to resort to private care. His recommendations are accompanied by proposals put forward by Professor Sir Michael Rawlins, chair of the National Institute for Health and Clinical Excellence, to employ greater flexibility in the appraisal of certain treatments, specifically those relating to drugs for the terminally ill. I accept Professor Richards's recommendations in full and today I can announce two immediate developments to make drugs more available on the NHS to those who could benefit from them.

Since it was established in 1999, NICE has ensured not only that many thousands of patients benefit from access to the latest treatments, but that the taxpayer gets value for money. NICE provides wholly independent and scientifically rigorous assessments of the latest medicines and treatments and is widely admired across the world for its work. Its guidance on drugs and treatments is internationally respected, and many other countries are adopting similar models.

The price of the drugs that NICE assesses is a matter for the manufacturers, but I can confirm that I am working closely with the pharmaceutical industry on new and more flexible pricing arrangements that will increase patients' access to new drugs. Those arrangements will include enabling drug companies to supply drugs to the NHS at lower initial prices, with the option of higher prices if value is proven at a later date. The new arrangements will also build on patient access schemes already developed for particular drugs. That will help to ensure that patients can access medicines that would not otherwise have been deemed cost-effective by NICE. I expect to be able to say more about that soon.

In addition, NICE has for some time been concerned about its ability to take into account the premium that society places on helping those with terminal illnesses. Professor Sir Michael Rawlins has written to me to outline a new, more flexible approach to the appraisal process in order to address those concerns. NICE proposes to introduce more flexibility in the evaluation of higher-cost drugs, which have been shown to extend the lives of terminally ill patients, and where the less common nature of a particular condition may mean that the more flexible pricing arrangements we are discussing with the industry are not in themselves sufficient. The proposal will be implemented immediately while NICE holds a full consultation

Those two measures will ensure that more treatments, which in the past patients may only have been able to access privately, will be available free on the NHS. The work of NICE is necessarily complex, but as we highlighted in the cancer reform strategy, it sometimes takes too long. Its appraisal guidance has often not been available for two years or more after a drug has been licensed. Steps have already been taken to address that, with, for example, fast-track procedures to appraise automatically significant new cancer drugs, but the time it takes NICE to publish guidance can lead to significant local variation.

In response to Professor Richards's report, I am today setting out a new timetable to speed up the appraisal process for all drugs evaluated by NICE. In 2009, draft or final guidance will be available within six months of licensing for about half of the drugs that are being appraised through the fast-track single technology appraisal programme. In 2010, draft or final guidance for all new cancer drugs will be available within six months, on average, of a drug being licensed. We will work with NICE to explore further ways of speeding up the appraisal process with the intention of announcing the outcome of our work early in the new year.

All of those measures will dramatically reduce the instances where a drug is available on the market but primary care trusts have no guidance from NICE on which to base their decisions about funding. However, we cannot totally eliminate instances of primary care trusts having to make decisions in the absence of NICE guidance.

Professor Richards has found that patients and professionals are often unclear about who takes such decisions or how they make them. Patients and their families are often left bewildered about why a particular treatment has been denied, despite what they see as a clear clinical need. As we highlighted in the NHS constitution, we need to do more to improve the quality and consistency of the decisions, especially in any interim period before NICE's guidance is released.

We will therefore publish a set of core principles to inform the way in which primary care trusts make decisions about funding new drugs. It is essential that the process, as well as the decisions, is clear and accessible to patients and the public so that, if a patient is denied

access to a particular treatment, the reasoning behind the decision is transparent and consistent. We will publish detailed good practice guidance for primary care trusts about the processes that they should have in place to make decisions about funding new drugs and handling exceptional cases.

Better local decision making, a faster appraisal process, fairer pricing and greater flexibility in evaluating certain treatments will address the main issues that have fuelled the demand from some patients for additional private treatment. However, it would be unreasonable to expect the NHS to fund every single new treatment, and we cannot guarantee that we will completely eradicate the circumstances in which a small minority of patients wish to pay for a drug that the NHS does not provide.

The vast majority of people to whom Professor Richards spoke during his review thought that, in such circumstances, it would be wrong to take away a patient's entitlement to NHS care because they had purchased additional treatment privately. Professor Richards recommends that that practice should end and I agree. It will end with immediate effect.

However, Professor Richards is also clear that there must be tight controls to prevent the NHS from becoming a two-tier system. Today, we will publish draft revised guidance, to take immediate effect, to ensure that the NHS is clear about how to deal with the rare occasions—which, with the implementation of the proposals already mentioned will be even rarer—when patients opt to fund additional drugs privately. The guidance will make it clear that NHS care should never be withdrawn and that administering private care should take place separately from NHS care to ensure that NHS funds are never used to subsidise private care. In short, there is no question of patients who can pay more being able to access a different and higher level of NHS treatment, but neither should any patient who has at some point paid for private treatment lose their entitlement to NHS care.

Today's draft guidance sets out that, in such circumstances, private treatment should be provided in a private facility so that it is always clear whether a particular treatment is NHS or private. That removes any confusion about what constitutes a single visit or single episode of care. It will also remove any question of a two-tier system, whereby those who pay for additional care have their private care subsidised by the NHS.

The NHS must, by definition, continually evolve and improve to fulfil rising expectations and offer the latest advances in medical care to all our citizens, irrespective of wealth, class, ethnicity or disability. The debate has been critically important to the NHS and the values that underpin it. I believe that the measures that I outlined today will, in enabling the NHS to exercise its natural compassion, help secure those values for the future.

We are fortunate in Britain to have a health system that provides a comprehensive service for all patients, based on clinical need, with public funds for health care devoted solely to the benefit of the people it serves. The report by Professor Richards enhances those principles and I commend the statement to the House.

Mr. Andrew Lansley (South Cambridgeshire) (Con): I am grateful to the Secretary of State for advance sight of his statement. I am sure, too, that the House will wish to thank Professor Mike Richards for his report.

I regret, however, that the Secretary of State's statement, far from clarifying the issues, leaves them as unsatisfactory as ever. Professor Richards's report says on page 6:

"I believe that the option of NHS top-ups should be rejected".

However, the Secretary of State says that if patients are denied access to new cancer drugs by the NHS, they can pay for them without losing their entitlement to NHS care. So, contrary to past guidance and in a U-turn on policy, patients will be able to be both private patients and NHS patients in relation to the same course of treatment, even if the Government dress it up as separate care, with patients being wheeled to another ward in the hospital to have their cancer drug administered and then a bill sent to them by the NHS.

I refer Government Members to page 6 of the report, where the Secretary of State requires strategic health authorities to say where private drugs are going to be administered, which includes designating an area of an NHS hospital for the delivery of privately funded treatments, and to page 51, where the proposed option for separate care says that patients will receive different care from the NHS and the private provider, although this will often be the NHS, so the NHS will be the private provider.

The Secretary of State has not really answered the question: is he in favour of top-ups or is he against them? In reality, the Government have jumped out of the frying pan and into the fire, from, on the one hand, denying cancer patients their entitlement to NHS care, which has rightly been abandoned, to, on the other, requiring patients to pay for their cancer drugs and thereby creating two-tier access to NHS care.

That has happened because the Secretary of State, after we have asked him time and again, has not answered the key question: why are NHS patients in England not receiving clinically effective life-extending cancer treatments that are routinely available in other European countries? An OECD report published last week on pharmaceutical pricing said that UK spending on medicines per capita is below the OECD average.

The Government admitted last year in the ministerial industry strategy group that the uptake of new cancer drugs in this country was slower than across Europe. We know from the Minister's reply that we spend 5.6 per cent. of our NHS budget on cancer services, whereas France spends 7.7 per cent. Why does the Secretary of State not understand that the heart of the issue is about enabling clinicians in this country to provide the cancer treatments that they believe are necessary for their patients?

There are many steps that we could take on that. Why has the Secretary of State not followed the advice that we have published on NICE and taken ministerial referral out of the system? That would take six months out straight away and speed up NICE appraisals.

Despite the talk from the Secretary of State about more flexible pricing—frankly, for two years I have been urging this on Ministers—why did he not implement a fully value-based pricing system for new medicines in the review of the pharmaceutical price regulation scheme this year, so that patients can access the treatments through the NHS and the price paid will reflect the therapeutic and innovative value? Instead, the Secretary of State still seems to be prepared to contemplate cancer patients paying thousands of pounds for their

[Mr. Andrew Lansley]

medicines, just as long as they are administered by the NHS in another ward, as separate care. If so, is he planning new primary legislation to introduce a new power for NHS trusts to charge for treatment?

Is the Secretary of State preparing legislation to remove the private income cap on foundation trusts, which specialist cancer hospitals such as the Royal Marsden or the Christie would otherwise breach? How will he stop the new rules from becoming a bureaucratic nightmare? How can his rules be applied if patients exercise choice and go to an independent hospital or even go abroad in future, using the cross-border health care directive?

How will the Secretary of State prevent the NHS from becoming a core service, with increasing numbers of top-up treatments or patients being pressurised to buy more treatments and services privately? Will he confirm to the House that separate care will often mean private health care provided by NHS trusts?

Based on the Secretary of State's proposals today, how can he still argue that treatment through the NHS would be available based on need rather than on the ability to pay? Let us take the case of a patient with bowel cancer, whose hospital consultant recommends Erbitux, a life-extending treatment. At the moment, some primary care trusts provide that treatment, while others do not. Some hospitals pay for it themselves, while others require it to be administered at home with the patient paying. Still others require it to be administered wholly privately, with all the associated treatment costs being paid for.

In today's statement, only that last case has been ruled out, and rightly so. It has always been morally repugnant to make cancer patients pay for their continuing NHS care. We made that clear months ago, and the Secretary of State could have made this decision months ago. It is equally unacceptable for cancer patients still to be put through months of delay—whether as a result of NICE appraisals or exceptional case panels—while not knowing whether their treatment will be provided by the NHS, even if their consultant says that it is the best, and sometimes the only, option for them.

Those patients might also be aware that Erbitux will be provided for bowel cancer treatment in every other country across Europe, but not here. Indeed, it was Erbitux to treat bowel cancer that Linda O'Boyle needed to pay for. Hers was one of the central cases that gave rise to the review. I pay tribute to my hon. Friend the Member for Billericay (Mr. Baron), who represented Linda O'Boyle, her family and her interests assiduously in the House.

The Government are planning to stop cancer patients having to pay £7.10 for a prescription, yet they are still prepared for those patients to pay £11,500 to acquire Erbitux for their bowel cancer treatment. The Rarer Cancers Forum estimates the cost of extending access to new cancer drugs at £175 million a year. The NHS surplus last year was 10 times that amount. This summer, the Secretary of State imposed a price cut on the pharmaceutical price regulation scheme, saying that that would save £300 million a year. Where is this money going? Why is the money voted by Parliament to provide care for patients not providing the cancer services that our constituents need, and which they know other countries provide?

Let us be clear about this. There are two principles involved: if a patient has cancer, they expect the NHS to provide the treatments that they need and that are recommended for them, including those that will extend their life; if they want something different, and pay for it privately, the NHS should not penalise them for doing so. Those are two simple principles. Why could not the Secretary of State have made it that simple today? Why could he not have got up and said that those would be the principles that we would work to, while respecting the values of the NHS?

Alan Johnson: I am very surprised by the hon. Gentleman's response, not least because, if he has read the report, he will know that Mike Richards looked at a spectrum of alternatives. The first point—the important point—is that we will no longer withdraw NHS treatment from people who have to pay for a drug that has been recommended by their clinician but which is not available on the NHS. The hon. Gentleman says that he raised this issue months ago, but I never heard a single word about it from Conservative Front Benchers until the Conservative party conference, three months after we had announced the review. Yes, there was a question a year ago from the Opposition Back Benches, but it was not followed up at all by those on the Front Bench. Yet, suddenly, the Mr. Know-alls have always been aware of this problem and always been determined to resolve it.

Why has Professor Richards, after talking to all his colleagues, come up with this proposal? At one end of the spectrum, there is the current, rather cruel, practice. Incidentally, I too pay tribute to the hon. Member for Billericay (Mr. Baron) for the work that he has done on behalf of Linda O'Boyle's family. At the other end of the spectrum, there is something that Mike Richards calls top-ups. I do not want to get bogged down in the terminology, but the understanding of people in the profession was that some people were concerned about the change in practice, and a thorough debate took place on the issue. The understanding was that a top-up system would involve an NHS patient being offered a range of choices, one of which would involve the patient in bed No. 1 being offered a drug that was not available on the NHS and paying the NHS for it, while the patient in bed No. 2 could not afford to pay for the same drug. However, Mike Richards points out that the only people who were vehemently proposing that option were the people who felt that a tax-funded system could not survive and that, at some stage, we would need to move to an insurance-based system. They are the only people, Mike Richards says, who put forward that view. That is top-up.

What Mike Richards has said, of course, is that we should not withdraw this treatment; we should ensure that NHS treatment continues; we should allow the patient to pay for that treatment; but we should not under any circumstances—to reiterate a point put to me in a consultation by the hon. Member for Billericay—endanger the principles of the NHS. The system of top-ups would, however, endanger that principle. *[Interruption.]* This is a serious issue, so let us not have barracking from the gallery; let us rather try to understand what Professor Richards has done in a very important report over a short period. We will deal with Europe

and all the other peripheral issues, but what Professor Richards has said is that we cannot carry on with this cruel system, but neither can we allow the NHS to be used to subsidise private care.

I do not know the current position of Conservative Front Benchers on this issue. It has been all kinds of things over the last 10 years and I am not sure what it is today on this particular Wednesday; it might well have changed again—*[Interruption.]* Sorry, it is Tuesday today, so it will no doubt change again tomorrow. The real issue is this: what Mike Richards says is that we should have separate care, perhaps provided in a private facility in an NHS hospital; that is fine, because we allow private care in NHS hospitals. If such care is not available in an NHS hospital, the patient can get the drug from a private practitioner and have it administered at home, which is what happens in Birmingham. However, NHS care will not be withdrawn from such patients and they will be allowed to buy those drugs.

The final point made by the hon. Member for South Cambridgeshire (Mr. Lansley) was about flexible and value-based pricing, which was in the Office of Fair Trading review of the pharmaceutical industry a while ago. The hon. Gentleman and the Conservative party need to understand this: either we keep the current system, which Labour Members value, of reaching a voluntary agreement with the pharmaceutical industry through the PPRS or we move to reference pricing—the European model. I believe that we would lose out from that system. *[Interruption.]* The hon. Member for South Cambridgeshire asks why we did not introduce value-based pricing earlier. The answer is that we need to negotiate it with the pharmaceutical industry. If we do not negotiate it, we will have to introduce it through legislation, which is not the route we want to take. The negotiating route has led us to a patient-access scheme, which is being used for some drugs, and we will soon, I hope, conclude our negotiations and have a flexible pricing scheme.

The worst scheme would be the Conservative policy launched a couple of days ago, which amounts to a huge bureaucracy with every drug having to be evaluated through the system. We would lose the voluntary agreement with the pharmaceutical industry and probably lose some major research and development in pharmaceuticals. I think that Conservative Members need to get their act together; as far as I can see, the policy seems to be put forward by "Confused of Conservative central office".

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. By any test, this is slow moving and we have other business to complete. I want to allow all Members seeking to catch my eye to make their contributions, but I need brevity from now on—brevity in both questions and answers.

Mr. Kevin Barron (Rother Valley) (Lab): I welcome the announcement that the timetable for the NICE evaluation process is going to be speeded up, which the Health Select Committee recommended in our last report. Professor Richards says that tight controls will be needed to avoid a two-tier NHS. Does that mean that NICE will need to be more flexible so that drugs presently not available on the NHS become available?

Alan Johnson: Yes, indeed it does. NICE has seen that people are concerned about this aspect of end-of-life care and believe that as people approach the last years of their lives, society should put a premium on that, which is not reflected in the current system. The supplementary system announced today will indeed mean more of these drugs being made available.

Norman Lamb (North Norfolk) (LD): I thank the Secretary of State for early sight of the statement and join hon. Members in thanking Professor Mike Richards for his work in producing the report.

The statement—albeit it a remarkable U-turn, albeit that it comes after pressure of a threatened judicial review and albeit that the Government seem to be fudging or drawing a distinction between what is proposed and the principle of top-ups—is none the less a welcome step. It is a complex area. There are understandable anxieties about the implications of moving in the direction outlined, but the bottom line is that we cannot justify a cruel and pernicious system that threatens to withdraw NHS care if a patient chooses to follow a clinician's advice in paying for a drug that is not available under the NHS. However, allowing top-ups must go hand in hand with reforms to ensure that access under the NHS is available to drugs that are routinely accessible in Europe but are not currently available in this country.

On proposals to extend access, the Secretary of State's ambition is to achieve draft or final guidance within six months, but he will only achieve that for all drugs by 2010. Surely if it is only draft guidance within six months, there could be a further long delay in producing the final guidance. Why will it take so long to get to the six-month point, given that there is already a much faster system in Scotland? I know that the process there is different, but it usually ends up achieving the same verdict as we do in England only it does so much quicker. That the system is taking so long results in a great sense of unfairness in England.

The Secretary of State said nothing about the need to reform the requirement of ministerial referral. Surely we should scrap that and allow NICE to make its own decisions. Surely, also, we should ensure that there is complete transparency of the modelling that NICE undertakes in reaching its decisions.

The Secretary of State referred to the need for more flexibility in the evaluation of high-cost drugs. Will he consider widening the factors that NICE takes into account—the impact on carers and the potential to get an individual back to work—in assessing whether a drug is cost-effective? There is a key question for him: under the reforms, which drugs that have been rejected does he expect will become available? What analysis has he undertaken of that? He must have done some. Will appraisals be reopened on drugs that have recently been rejected by NICE? He said that the current rules would come to an end with immediate effect, but at the same time he announced a consultation on how those new rules will apply. What will happen in the meantime?

The right hon. Gentleman said that treatment must be in a separate facility, but is that not inconsistent with good quality patient care and patient safety? Will he address that specific concern?

With regard to the importance of local transparency in the decision-making process by primary care trusts, when will the Secretary of State announce those core

[Norman Lamb]

principles, and will they take into account social factors—family circumstances—in determining whether a drug should be available?

The statement contained nothing about the absolute importance of independent advice to patients on whether it is right to pay for an additional drug. It also said nothing about the potential need to regulate any market that might develop in dealing with very vulnerable people at a critical stage in their life. Finally, the right hon. Gentleman said nothing about addressing the potential conflict of interest for clinicians and the NHS in making these difficult judgments. Will he address those concerns as well in his response?

Alan Johnson: I thank the hon. Gentleman for his welcome for the statement. He says that it is a remarkable U-turn, but this guidance has been around for many years. We can track it back to the early '80s, under the Thatcher Government, and it was there before that. *[Interruption.]* He says from a sedentary position that it is a U-turn from what I said, but I said that if we allowed NHS care and private care to be given together—I talked about an episode of treatment, to introduce a new variation into all the descriptions, back in December last year—that could be the end of the founding principles of the NHS. It could be, and Mike Richards has accepted that it could be, which is why separate care is an important part of his proposals. *[Interruption.]* Everyone in the House apart from those on the Conservative Front Bench understands that Mike Richards' terms of reference were to defend the principles of the NHS, and that combining private and NHS care would be the route to an insurance-based system and the end of a taxpayer-funded system.

The hon. Gentleman said that the proposal would have to go hand in hand with greater availability. That is what Mike Richards recognised, and that is why a large part of my statement was concerned with that. The hon. Gentleman asked the reason for the delay in NICE's appraisal of the drugs. I understand that it is due to the tail in the system. We committed ourselves to a more rapid appraisal a year ago in our cancer strategy, and as new drugs come in we can move quickly, but the old drugs are still being appraised under the old system. It will take us some time to work our way through the backlog, but NICE has already announced that it is increasing the number of appraisal teams and standing committees and starting more appraisals earlier, so I think that the time scale is realistic.

The hon. Gentleman mentioned ministerial referral, which was also mentioned by the hon. Member for South Cambridgeshire. We are not handing the whole process over to NICE and taking politicians out of it completely, but once a drug has been referred to NICE, the process becomes a NICE process, independently run. NICE also has an enormous role in the earlier process of selecting drugs to be referred. It is responsible for the consideration panels of experts before the matter is sent to the referral oversight group, which consists of clinicians. The ministerial sign-off for which my right hon. Friend the Minister of State is responsible is a very short part of that process.

Mark Simmonds (Boston and Skegness) (Con): It takes 12 months.

Alan Johnson: It does not take 12 months. Here is £13 billion of taxpayers' money, and once again the Conservatives want to remove Government completely from the process and allow a giant unelected quango to deal with it.

The hon. Member for North Norfolk (Norman Lamb) referred to the consultation that NICE has undertaken. NICE has said that the new procedures will apply while its consultation takes place. Those new procedures start today. I believe that members of NICE are the best people to say which drugs are likely to come through the process, and I believe that NICE will reappraise drugs through the process as well if they are referred.

The core principles put forward by the PCTs should be ready early in January.

Dr. Howard Stoate (Dartford) (Lab): I welcome the measures proposed in the statement, which will go a long way towards speeding up the process and making more drugs available. However, I have some concerns about what my right hon. Friend has said. One of the founding principles of the NHS is that it is based on medical need rather than ability to pay. If a drug is medically necessary, how can it be right to make it accessible only to those who can afford it? If a drug is needed it should be available, and it should be available to all.

Alan Johnson: The drugs that come through the NICE process will be available, thanks to the NHS constitution which will make it absolutely clear that patients have a right to access the drugs. There will be more of those drugs coming through. The PCT exceptional circumstances committees will have a far more transparent way of considering drugs that have not come to NICE for appraisal, have been refused by NICE or are off-label, so there will be a better system.

I would previously have shared my hon. Friend's fear that there is no way of ending the previous co-payment advice without jeopardising the basic principles of the NHS, but I think that Mike Richards has found a way of doing that. Even when drugs come through the new system which are not available on the NHS—and there will be fewer of them—we will no longer withdraw treatment, but will ensure that it is administered privately.

Mr. John Baron (Billericay) (Con): Today's announcement is very welcome. I thank the Secretary of State and Professor Richards for our constructive meetings. Let me also briefly pay tribute to my constituent Mr. Brian O'Boyle. He had the courage to speak openly about the death of his wife, which helped to spark off the process and the review.

The announcement is positive for two reasons. First, it ends the obscene threat that NHS care could be withdrawn from patients simply because they wished to access care that was not available on the NHS. Secondly, it will, I hope, act as a catalyst to widen access to beneficial treatment for cancer patients. May I, however, press the Secretary of State on the issue of continuity of care? Can he put my mind at rest by assuring me that the separate care to which he referred will not involve sending patients halfway across town to have their private care administered? I am sure he will agree that continuity of care is important, given that some drugs need to be administered concurrently, and given the condition of many patients.

Alan Johnson: I welcome the hon. Gentleman's remarks, and I, too, pay tribute to Brian O'Boyle. The hon. Gentleman eloquently described that case of a woman who had spent her whole life in the NHS being charged for the cost of her treatment or having that treatment withdrawn, and any politician who came across the case would have felt that if there had not previously been the time to review the guidance, the time had certainly come now.

The hon. Gentleman raised an important question—which the Liberal Democrat spokesman, the hon. Member for North Norfolk, also raised, but which I did not get around to addressing in my reply to him. Professor Richards says in his report that there may be circumstances in which one would need to give such care to a patient in an NHS environment for clinical safety reasons; he expects such situations to arise very rarely, but they may do so because patient safety comes first.

In terms of where patients would have to go, there is currently no difference: they would have to access the medicine from the private sector. What we are saying in the report, as one of Mike Richards' recommendations, is that strategic health authorities should look at this, to make sure that patients know exactly where they need to go to access the drugs in a private setting—it may be in an NHS hospital, a private clinic or at home. Professor Richards and his colleagues think this is entirely appropriate, and that it will work well and will not cause any concerns, and it is certainly far better than the current system in which, as the hon. Member for Billericay pointed out, the cruelty of withdrawing such treatment is beyond anything we in this House would want to cause.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I welcome the Secretary of State's statement and his recognition that some health economies, such as Birmingham's, have already successfully worked out a way of dealing with the private sector and the NHS. However, I did not quite get a sense of whether there is any distinction in the primary care trust drugs guidance for situations where the pharmaceutical company has, for its own reasons, never applied to NICE for recognition. Does this apply to all of them, irrespective of whether they applied?

Alan Johnson: If the drug company has not applied for this, the same circumstances will apply: the drug has not been NICE-approved, because the company has not applied to have it NICE-approved. However, that does not stop a PCT allowing that drug to be prescribed, which is why the transparent and clear process around PCT exceptional circumstances committees—which is where such matters would rest—is an important part of the Richards review.

Sir George Young (North-West Hampshire) (Con): I welcome the Secretary of State's statement, but I would be grateful for clarification on one point: The Richards review was about those who are required to pay for their NHS care because they have opted to pay for drugs privately. Can the Secretary of State confirm that, from today, none of those patients will receive an invoice from the NHS for their NHS care?

Alan Johnson: In terms of what has gone on before today, I can assure the right hon. Gentleman and the House that the old guidance has gone and the new guidance replaces it with immediate effect. What has happened before will be for PCTs to deal with. In the Linda O'Boyle case, the PCT refunded the money. I would not like to make those decisions for them because all kinds of circumstances could be involved, but I think the PCT in Southend set a good example.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): I very much welcome the Secretary of State's statement, particularly his comments on the speeding up of NICE decisions, the more realistic pricing of drugs in the future, and the ending of the cruel withdrawal of treatment from the terminally ill who want to buy drugs privately. However, many people will be worried that this is the thin end of the wedge, undermining NHS principles of treatment free at the point of need. Also, I have concerns—

Mr. Deputy Speaker: Order. I do not think we need an "also", as the hon. Lady has made her point.

Alan Johnson: I understand my hon. Friend's concerns. This has been a difficult process because of the very strongly held views, as anyone will know who heard the debates on the radio or in this House, or the debates organised by the British Medical Association or the King's Fund. There are strong opinions on both sides of the argument. The evidence submitted by the Royal College of Nursing sticks in my mind. It made the point that the NHS is about providing services, not withdrawing them, and it made the cruelty case—it said there was a lack of clarity and a lack of charity in how the current arrangements applied. My hon. Friend the Member for Sunderland, South (Mr. Mullin) was the first person to raise this issue with me. He said to me a while ago, "Look, we need to rethink this."

I do not believe this is the thin end of the wedge for the NHS. I think carrying on with the previous system is what would endanger the principles of the NHS, because people saw it as dogmatic and ideological, and not in any way related to the person's individual needs. So I think this strengthens the NHS, rather than weakens it.

Mr. David Curry (Skipton and Ripon) (Con): But does the Secretary of State accept that two patients can have an identical operation carried out in the same hospital by the same consultant, but because they live in different PCT areas one will have that operation paid for whereas the other will have to pay for it himself or herself? Does he understand the resentment that that provokes? What can be done to remedy the problem?

Alan Johnson: I understand that. The NHS constitution, when we finally get it launched, will help in some ways. Mike Richards makes a recommendation pointing out that in the north-east of England an overview of this issue is taken, so that PCTs do not make different decisions. Not only is there work to be done with the PCTs, but, as he recommends, we should examine how they deal with this on a regional basis. The right hon. Gentleman correctly says that this causes huge resentment and great upset.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): I usually find eulogistic questioning awkward and it is always counter-productive, but may I compliment the Secretary of State on his statement? In comparison with the arguments put forward by Conservative Members, it was clear, concise, coherent, fair and based on sound common sense, and it will be very much welcomed in

[Mr. Doug Henderson]

my constituency. Does he believe that NICE will need additional resources to be able to carry out its reviews more speedily?

Alan Johnson: I preferred my hon. Friend's description of my statement to the Conservative party's one. I can confirm that this is all eminently doable within NICE's current budget. Medical science moves on; end-of-life treatments and the drugs available to treat rare diseases, such as melanoma and so on, were not an issue five or 10 years ago. NICE has been keen to keep pace with those changes, and there is nothing to prevent it from introducing this immediately and taking note of the consultation in five weeks' time. We will then make a further announcement in January.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Does the Secretary of State accept that there are lots of unanswered questions? For example, how does he deal with the situation of an NHS consultant referring and recommending a private treatment given by himself in an NHS pay bed with the income going to that trust? How does he deal with the problem faced by someone who responds to a private treatment that keeps them alive but then runs out of money and finds that the drug is not allowed on the NHS because it worked for only a few people? Surely that treatment should then become payable by the NHS. Does he accept that more work needs to be done on those questions?

Alan Johnson: I accept that, as does Mike Richards. He has done a thorough piece of work in a short space of time; he needed to do so, given the urgency that the public attach to this. He says in his recommendations that measures need to be in place to prevent what the hon. Gentleman described. I think that the ethos and the integrity of doctors, their contract, the fact that they are not allowed to raise the issue of private drugs—it must be raised by the patient, rather than by the practitioner—and perhaps some other measures that we could introduce would resolve those problems. If we stick to the current system, what the hon. Gentleman describes could happen just as well, except that tied on to it would be this withdrawal of NHS treatment.

Rob Marris (Wolverhampton, South-West) (Lab): I welcome the statement. Some PCTs need money to pay for these drugs, and some PCTS, such as Wolverhampton's, still do not receive full funding as per the Government's own formula. By what date will all PCTs receive full formula funding?

Alan Johnson: I cannot give a date for that. All I can say to my hon. Friend is that, as he will know, we started off with many PCTs being about 15, 16 or 20 per cent. away from having their proper funding formula; no PCT, not even the one in Northamptonshire, is now more than 3 per cent. away from that target. This is the way we must go if we accept that we do not want to take money away from more affluent areas. We do not want to reduce the health spend; we want to increase it for everyone, but we want to increase it most for those areas with the most deprivation. We need a gradualist approach. As a good Fabian, he will recognise that that is the way to go.

Dr. Richard Taylor (Wyre Forest) (Ind): I have not read the report, and I regret that I am now rather more confused than I was. I still cannot see a fair way of allowing extra payments from those who can afford them. To avoid the need for that, will the Secretary of State revisit better care, better value indicators, which alone would save the NHS £2 billion per year? That could be added to the money available to NICE so that it could pass many more drugs.

Alan Johnson: I respect the hon. Gentleman's judgment on this matter, and perhaps we should have a meeting with Mike Richards to talk this through. The primary point is not about what we will do—we will do many things, including make more drugs available—but about what we will not do: we will no longer withdraw that NHS treatment.

There is a second point: no party, not even the Conservative party, which has its weird and wonderful moments, is arguing that the NHS must pay for every drug that comes on the market. We could never do that. Despite making more drugs available, in some circumstances a few people—even fewer after we have implemented the proposal before us—will face the dilemma of having to pay for a drug that is not available on the NHS. We believe, therefore, that the principle of separate care, as proposed by Professor Richards, is the right way to proceed.

David Tredinnick (Bosworth) (Con): First, does this mean that a patient being successfully treated by a traditional Chinese medicine practitioner, using herbs and acupuncture, will have their costs paid by the NHS? Secondly—

Mr. Deputy Speaker: Order. I am trying to ration time, so hon. Members may ask one question only, I am afraid.

Alan Johnson: I am afraid not.

Andrew George (St. Ives) (LD): Can the Secretary of State reassure me that the NHS will use its procurement muscle when negotiating, especially in regard to what he described as the new and more flexible pricing arrangements, which will enable "drug companies to supply drugs to the NHS at lower initial prices, with the option of higher prices if value is proven at a later date?" Will that be a one-way street? In other words, if the value is not proven, or if more drugs are purchased than anticipated, will the price go down?

Alan Johnson: That is a question for NICE in deciding how to operate the system. Currently, drugs companies come in with a price at the beginning and cannot alter it, but under a value-based system they could come in with a lower price and then argue for a higher price later.

Andrew George: But can it go down?

Alan Johnson: I shall take advice from NICE on that, but I doubt it. The whole point is to have a voluntary, rigorous agreement. Drug companies have agreed to a 5 per cent. reduction in drug prices with a further 2 per cent. reduction in prospect. It is a great tribute to them that they have entered negotiations and that they are

proceeding so successfully. I reassure the hon. Gentleman that a robust negotiating system will be put in place, but at the end of the day it is up to drugs companies to seek to make a drug available and to put it through the NICE process. It must be voluntary. We cannot proceed otherwise.

Dr. Julian Lewis (New Forest, East) (Con): The Secretary of State said in his statement that only a small number of people have had to pay privately for these top-end drugs. Will he indicate how many people have had the NHS entitlement withdrawn and can he think again—

Mr. Deputy Speaker: Order. I appeal to the House. We have other important business to reach. The Secretary of State's answers are lengthy, in an attempt—I am sure—to help the House, but if I am to get everybody else in we must move more quickly.

Alan Johnson: Mike Richards says that not enough evidence or information is available—one of his recommendation is that my Department gets more. He quotes the Joint Collegiate Council on Clinical Oncology, which carried out an online assessment and concluded that about half of those patients refused a drug go on to pay for it. Incidentally, 15,000 people a year go through the process and two thirds have the drugs approved by their PCT. However, not even Professor Richards thinks that that is very robust. We need to do more work to get an accurate picture.

Greg Mulholland (Leeds, North-West) (LD): I commend this positive step and remind the House of the heroic Jane Tomlinson, who did so much for charity but could not access the drugs that she needed.

May I ask the Secretary of State a practical question about the ever-changing medicines available for people who are terminally ill? NICE often takes time to make decisions and decisions on what the NHS will fund often change, so will the Secretary of State say whether, if someone starts to pay for treatment straight away—clearly, if they medically need to do so, they should—they will get their treatment refunded, if, at the end of the process, it is recommended that the NHS should fund it?

Alan Johnson: The decisions do not apply retrospectively. A NICE decision applies from the time at which it takes effect. In terms of the additional care that we are talking about, when NHS care is withdrawn from a patient in those circumstances that comes into effect immediately.

Mr. Graham Stuart (Beverley and Holderness) (Con): The Labour party of Nye Bevan is gone and there are few Labour MPs to mourn its passing. Why will my constituents have to pay thousands of pounds to receive cancer drugs that are routinely available elsewhere? Why will they be wheeled down the corridor to a designated private room in an NHS hospital? Is it because of the Labour Government's failure to manage budgets properly?

Alan Johnson: I shall take that question as an audition for the Royal Shakespeare Company and treat it with the contempt it deserves.

Mr. Paul Burstow (Sutton and Cheam) (LD): Speedier NICE appraisal decisions are essential but they are not sufficient. We also need more transparency and accountability in NICE decisions. In the light of the Law Lords' decision to refuse permission to NICE to go to appeal on the dementia drug case decision, will the Secretary of State now put it beyond doubt that he expects NICE to place all the models it uses in respect of decisions on appraisals into the public domain?

Alan Johnson: That is an issue for NICE. It needs to comply with the court judgment. This is not the end of the story about NICE, as I hope to make fresh announcements early in the new year. Perhaps we will return to the subject then.

Food Labelling (Nutrition and Health)

5.1 pm

Helen Southworth (Warrington, South) (Lab): I beg to move,

That leave be given to bring in a Bill to require simple, uniform nutritional labelling on the front of packaged foods; and for connected purposes.

In our busy lives, even with the huge improvements to the labelling of packaged food since I first tabled a food labelling Bill four years ago, we often shop in a hurry. We do not have time to stop and study labels in detail, or we might just not have very good eyesight. We need to be able to compare and choose healthy options easily and simply. Front-of-package labelling that gives at-a-glace information about how much fat, sugar and salt different foods contain is crucial for shoppers.

The Co-operative introduced front-of-pack labels 10 years ago and was one of the first retailers to sign up to the Food Standards Agency's traffic lights scheme. Co-op customers say that they find front-of-pack traffic lights simple and straightforward and this year the Co-op decided to include them on all products, with a few exceptions. Fruit and vegetables will have nutritional information without colour coding, because the health message in their case is the importance of five-a-day.

Sainsbury's uses multiple traffic lights on almost 5,000 of its own brand products and has found a strong recognition—93 per cent.—of the label among customers. Customers use the labels to choose sandwiches and healthy meals so that they can get healthy. The company is aiming for fewer red traffic lights by reducing salt, sugar, fat and saturated fats and removing all hydrogenated fats from its own brand products. Sainsbury's is being led by its customers, as 63 per cent. of them said that multiple traffic light labels were helping them to eat more healthily.

Asda has a combination food labelling system. The traffic light approach was the option requested by customers and Asda has received hugely positive feedback since introducing it. The labels include guideline daily amounts and are designed to be read and understood in less than two seconds.

Many other retailers and manufacturers including Boots, Marks & Spencer, Waitrose, McCain, Virgin Trains, National Express and YO! Sushi are using the FSA's multiple traffic light scheme. Other retailers have responded to customers' desire for quick, easy-to-see information by designing other labelling schemes using guideline daily amounts.

Tesco's label also includes a pastel colour code for each main ingredient. At Tesco, too, front-of-pack labelling has driven changes in product content. In the last 12 months, salt levels have been reduced in more than 200 products and fat has been cut in more than 150 products. The introduction of front-of-package labels by a wide range of retailers is giving people much more control over what they eat.

Why, therefore, do we need simple, uniform nutritional labelling on the front of food packaging? In the words of the Government Office for Science,

"Britain has become a nation where overweight is the norm".

The office predicts that, on current trends, within 40 years half of adult women, two thirds of adult men and a quarter of all children could be obese—and obesity increases the risk of a range of chronic diseases, especially type 2 diabetes, stroke and coronary heart disease, cancer and arthritis. Today, more than 2 million people over 18 are registered with their GPs as having diabetes, and nearly 2 million have coronary heart disease.

Back home in Warrington, more than 8,000 people are on the patient register with diabetes and nearly 8,000 with coronary heart disease. That means that there are 16,000 people and their families in my home town with a very urgent need to know how much salt, sugar and fat their food contains, but we all want to be able to take control of what we eat and to know what is inside the packaging, and everyone needs to be able to access that information. Those who cannot read too well or calculate percentages—or people who are in a hurry—also need to know that information, and not just people who can understand complex variants.

The Food Standards Agency has commissioned a major piece of work on comprehension and use of the UK's nutrition signpost labelling schemes. The interim report published this September found that customers like front-of-package label schemes and use them to make choices, but that various issues were causing confusion for some customers.

The FSA report said that people were confused about what the colours in traffic light labels meant, and about whether there were different guideline daily amounts for different people according to gender, age and body type. It found that people were uncertain about how GDAs related to portion size and the mathematical calculations that were needed, as well as about the meaning of the GDA pastel colours and the percentages involved. They were even confused about what the acronym "GDA" meant.

Those confusions have to be resolved in a simple system that meets the need of all consumers. Which?—formerly known as the Consumers Association—is absolutely clear about what needs to be done:

"If consumers are going to improve their diets, they need to be provided with information that helps them to make healthier choices. The Food Standards Agency is carrying out extensive research to establish the best labelling approach for achieving this. The food industry needs to give their customers a helping hand by adopting the approach that works best".

Over 14 million ready meals are eaten each week in Britain. Last summer, Which? bought all the cheese and tomato pizzas, beef lasagnes and chicken tikka masalas that it could find in the main supermarkets. For each type of meal, it compared the fat, saturated fat and salt content. It found that people could eat five times as much fat and more than three times the amount of salt, depending on which brand of lasagne they bought. Some pizzas had seven times as much salt as others, and five times as much fat. A curry could have three and a half times the amount of saturates or more than four times the amount of salt per 100 g, depending on which chicken tikka meal was chosen.

That may sound funny, but 30 per cent. of deaths from coronary heart disease and around one third of cancers are believed to be down to diet. When the FSA publishes the results of the full research project on UK nutrition signposting labelling schemes next year, the food industry must respond with simple, uniform nutritional labelling to enable people to choose healthy food.

This Bill has the support of the British Medical Association, which has stated:

"The British Medical Association has a long-term interest in the health of the public and believes that the increase in the frequency of obesity is a cause for great concern. While tackling obesity requires commitment to a multi-faceted approach, there is a particular need to change dietary behaviour. The BMA considers improved and consistent food labelling to be an important mechanism for enabling consumers to make informed dietary choices".

and for that reason it welcomes this Bill.

The British Heart Foundation says:

"Poor diets are creating a massive burden of ill health in the UK, including by contributing to several key risk factors for the development of heart disease, such as obesity and high blood pressure. To help reverse this trend, we believe that people must be provided with clear information about the food which they eat in order to encourage them to make healthier choices.

BHF therefore strongly supports the principle behind this debate. It is essential that all members of the food industry agree to abide by the recommendations of the Food Standards Agency on which single form of front of pack labelling should be adopted".

Diabetes UK supports the intention of this Bill, saying:

"We believe it is vital that a universal nutrition labelling scheme is introduced to enable consumers to make informed choices about their diet".

Cancer Research UK says:

"After not smoking, keeping a healthy weight is one of the best ways to reduce your risk of cancer."

Researchers have estimated that more than 13,000 cases of cancer could be avoided every year if everyone maintained a healthy body weight. The plethora of signpost labelling schemes used by retailers and manufacturers inevitably results in consumer confusion. It is important that the labelling scheme that works best for consumers is adopted and championed across the food industry.

In just the past week, 100 MPs have supported my early-day motion, which calls on food retailers and manufacturers to end the confusion caused by the proliferation of different schemes, and to commit to adopting whichever single labelling approach is found by the Food Standards Agency to perform best for consumers.

The last word goes to James, aged 63, via the Royal National Institute of Blind People:

"I've been trying to eat more healthily since my GP warned me about my high blood pressure. Even with my magnifier I find it difficult working out how much fat and sugar any product had. I wish they'd stop worrying about their branding and start worrying about me their customer."

I ask the House to support the Bill.

Question put and agreed to.

Bill ordered to be brought in by Helen Southworth, Mr. Kevin Barron, Charlotte Atkins, Jim Dowd, Stephen Hesford, Christine Russell, David Taylor, Dr. Howard Stoate, Mrs. Janet Dean, Dr. Doug Naysmith, Mr. Paul Burstow and Mr. David Atkess.

Food Labelling (Nutrition and Health)

Helen Southworth accordingly presented a Bill to require simple, uniform nutritional labelling on the front of packaged foods; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 14 November, and to be printed [Bill 157].

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees).

Local Government

That the draft Local Elections (Ordinary Day of Elections in 2009) Order 2008, which was laid before this House on 7th October, be approved. — *[Ms Butler.]*

Question agreed to.

Orders of the Day

Employment Bill [*Lords*]

As amended in the Public Bill Committee, considered.

New Clause 1

PROTECTION OF THOSE PARTICIPATING IN LAWFUL INDUSTRIAL ACTION OR A LAWFUL STRIKE

'(1) The Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52) (in this section "the 1992 Act") is amended as follows.

(2) For section 238A (participation in official industrial action) substitute—

"238A Effect of industrial action on employment contract

(1) Any termination of a contract of employment by an employer shall be unlawful and of no effect if the reason or one of the reasons was or is that the worker has participated, is participating or proposes to participate in lawful industrial action or a lawful strike; and in any proceedings, the termination shall be presumed to be by reason of that participation or proposed participation unless the employer proves the contrary.

(2) Where in any proceedings a court finds a termination unlawful as a result of subsection (1), it may (in addition to making any other order)—

(a) make a declaration as to the continuation of the contract of employment;

(b) award damages in respect of any loss suffered by the worker by reason of the termination.

(3) Where a worker's act or failure to act is a consequence of the worker's participation, or proposed participation, in lawful industrial action or a lawful strike, that act or failure to act is not actionable on any of the following grounds—

(a) that it amounts to a breach of that worker's contract of employment, or to non-performance or partial performance of one or more terms of that worker's contract of employment;

(b) that it amounts to the breach, non-performance or partial performance of any duty or obligation owed by the worker to any person; or

(c) that it is directly or indirectly coercive of the breach, non-performance or partial performance of any duty or obligation owed by another person.

(4) For the purposes of this section, section 238AA and section 238AB, an employee participates in lawful industrial action or a lawful strike if he commits an act, or a series of acts, which he is induced to commit by an act which by virtue of section 219 is not actionable in tort.

(5) In this section—

(a) "court" includes an employment tribunal, and

(b) "termination" includes a purported termination.

238AA Unfair dismissal and the right not to suffer detriment

(1) An employee who is dismissed shall be regarded for the purposes of Part X of the Employment Rights Act 1996 (c. 18) (unfair dismissal) as unfairly dismissed if the reason or one of the reasons for the dismissal is that the employee has participated, is participating or proposes to participate in lawful industrial action or a lawful strike.

(2) A worker has the right not to be subjected to any detriment by any act, or deliberate failure to act, by his employer, where the reason (or one of the reasons) for the act or failure is that the worker has participated, is participating or proposes to participate in lawful industrial action or a lawful strike.

(3) Subsection (2) does not apply where the worker is an employee and the detriment in question amounts to dismissal.

(4) Nothing in this section prevents an employer, in relation to a worker who participates in lawful industrial action or a lawful strike, from—

(a) withholding remuneration or benefits from the worker, so long as—

(i) the amount withheld does not exceed that to which the worker would have been entitled had he not participated in industrial action or a strike,

(ii) the withholding of the remuneration or benefits in question is permitted by the worker's contract of employment, and

(iii) it is reasonable in all the circumstances to withhold the remuneration or benefits in question;

(b) enforcing, to such extent as is reasonable in the circumstances, any restriction imposed by the worker's contract of employment concerning trade secrets or other confidential information.

238AB Complaints to employment tribunals etc

(1) A worker or former worker may present a complaint to an employment tribunal that he has been subjected to a detriment by his employer in contravention of section 238AA(2).

(2) An employment tribunal shall not consider a complaint under subsection (1) unless it is presented—

(a) before the end of the period of three months, beginning with the date of the act or failure to act (or the last in a series of similar acts or failures) to which the complaint relates, or

(b) within such further period as the employment tribunal considers just and equitable in all the circumstances.

(3) In proceedings on a complaint under section 238AA(2), it is for the employer to show the reason for the act or failure to which the complaint relates; and the act or omission shall be presumed to be by reason that the worker had participated, was participating or proposed to participate in lawful industrial action or a lawful strike unless the employer proves the contrary.

(4) Where an employment tribunal finds that a complaint presented to it under subsection (1) is well founded, it shall take such of the following steps as it considers just and equitable—

(a) make a declaration as to the rights of the complainant in relation to the matters to which the complaint relates;

(b) order the employer to pay such compensation to the complainant as it considers just and equitable having regard to all the circumstances, including the detriment to which the worker was subjected and any loss suffered by the worker in consequence of the act or omission to which the complaint relates; and for the avoidance of doubt, compensation may be awarded in respect of injury to feelings whether or not awarded under any other head.

(5) In proceedings on a complaint of unfair dismissal under section 238AA(1), the dismissal shall be presumed to be by reason that the worker had participated, was participating or proposed to participate in lawful industrial action or a lawful strike, unless the employer proves the contrary."

(3) In section 239 (supplementary provisions relating to unfair dismissal) subsection (4) ceases to have effect.

(4) The Employment Rights Act 1996 (in this Act, "the 1996 Act") is amended as follows.

(5) After section 113 (reinstatement and re-engagement orders) insert the following section—

"113A Automatic reinstatement

Where an employment tribunal finds that an employee has been unfairly dismissed in circumstances to which section 238AA(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 applies, and the complainant wishes to be reinstated, the tribunal shall make—

(a) an order for reinstatement, or

(b) an order for re-engagement on such terms as the parties may agree or as the tribunal (having regard to any advice received from ACAS) shall order".

(6) In section 117 (enforcement of order and compensation) after subsection (2) insert the following subsection—

"(2A) In relation to an order made pursuant to section 113A, the amount of compensation shall be such as the tribunal thinks just and equitable in all the circumstances having regard, in particular, to the nature of the infringement of the employee's right to be reinstated or re-engaged in pursuance of the order, and to any loss suffered by the employee in consequence of the non-compliance; and for the avoidance of doubt, compensation may be awarded in respect of injury to feelings whether or not it is awarded under any other head."

(7) In section 117 after subsection (8) insert the following subsection—

"(9) Any order for reinstatement or re-engagement made pursuant to section 113A may be enforced as if it were an order made by the High Court."

(8) In section 124 (limit of compensatory award etc)—

(a) after "section 117(1) and (2)" insert "or (2A)";

(b) for "section 115(2)(d)" substitute "section 115(2)(d), section 117(2A)".

(9) In section 128(1)(b) (interim relief pending determination of complaint) after "Trade Union and Labour Relations (Consolidation) Act 1992" insert "or section 238AA(1) of that Act".

(10) In section 129(1) (procedure on hearing of application and making of order) after "Trade Union and Labour Relations (Consolidation) Act 1992" insert "or section 238AA(1) of that Act".'.—*[John McDonnell.]*

Brought up, and read the First time.

5.12 pm

John McDonnell (Hayes and Harlington) (Lab): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: new clause 2—*Employer's duties in relation to industrial action ballots*—

"The following section is inserted after section 226C of the Trade Union and Labour Relations (Consolidation) Act 1992—

"226D Employer's duties in relation to industrial action ballots

(1) It is the duty of an employer reasonably to co-operate generally, in connection with a ballot conducted or proposed for the purposes of section 226, with the trade union (or unions) and the person appointed to conduct the ballot.

(2) Without prejudice to the generality of subsection (1), it is the duty of an employer to supply to a trade union in good time information reasonably requested by the trade union for the purposes of establishing the names, addresses, categories and workplaces of those members whom it wishes to ballot for the purposes of section 226.".'.

New clause 3—*Agency labour replacing those taking lawful industrial action*—

"In the Conduct of Employment Agencies and Employment Businesses Regulations 2003 (S.I. 2003/3319), after regulation 7 (restrictions on providing work-seekers in industrial disputes) insert the following regulation—

"Restriction on hirers in industrial disputes

7A (1) A person shall not hire a work-seeker to perform—

(a) the duties normally performed by a worker who is taking part, or intends to or is about to take part, in a lawful strike or other lawful industrial action, and in respect of whom notice of a strike or other industrial action has been given by a trade union ("the first worker"), or

(b) the duties normally performed by any other worker employed by the hirer and who is assigned by the hirer to perform duties normally performed by the first worker (whether or not the employer is contractually entitled to require the other worker to perform those duties).

(2) Where a person seeks to become the hirer of a work-seeker wholly or partly by reason of (or of the prospect of) a strike or other industrial action, that person shall, before being supplied with a work-seeker by an employment business, inform the employment business of that fact.

(3) Paragraphs (1) and (2) shall not apply if, in relation to the first worker, the strike action or other industrial action in question is an unofficial strike or other unofficial industrial action for the purposes of section 237 of the Trade Union and Labour Relations (Consolidation) Act 1992.

(4) In this regulation and in regulation 7, "employment business" includes an agency.".'.

John McDonnell: This is now a time-limited debate, and I am anxious to ensure that we deal with all the important issues scheduled for debate today, so I shall try to be as brief as possible. I shall speak about new clauses 1, 2 and 3, but I shall seek a ballot—pardon the pun; I meant a Division—on new clause 2, on balloting procedure, at the appropriate time. I shall be advised by you on that, Mr. Deputy Speaker. I seek to press it to a Division following consultation with hon. Members and a range of trade unions, who feel that new clause 2 is the most important new clause in the batch before us. It relates to the largest impediment to their activities and to good industrial relations.

This is my third attempt to debate the new clause. My first two attempts were on clauses in the Trade Union Rights and Freedoms Bill, but both times the debate was talked out. I am grateful for the advice and assistance of the Clerk to the Committee, which helped us to ensure that the new clauses were in order, and could be selected today. I also pay tribute to the Institute of Employment Rights for its tenacious pursuit of trade union rights, and its advice and assistance. In particular, I pay tribute to Carolyn Jones, John Hendy QC, and Professor Keith Ewing. I also pay tribute to the late Brian Bercusson. Together, as a team, they have provided support throughout the last two decades in trying to seek trade union reform and establish basic trade union rights once again in this country. May I also pay tribute to the many trade unionists who have campaigned on these issues over the years and lobbied Parliaments? They include many rank and file trade unionists, general secretaries and others: we all owe them a debt of gratitude for campaigning for basic trade union rights in this country.

5.15 pm

The three new clauses are extremely moderate and could hardly be described as burdensome reforms in vital areas of trade union rights. They are supported by every trade union affiliated to the TUC, they are unanimously supported by the TUC general council and they have been unanimously supported by the TUC for at least three years. My concern is that they are more important now than before. As the country moves into a recession, there is always a danger that unscrupulous employers will use the excuse or the smokescreen of recession to seek to undermine wages and conditions under which workers are employed and even to shed labour without due regard to appropriate procedures and processes. Workers will look to their trade unions for protection, and, inevitably, there will be disputes, but people will look also to the Government to provide security and protection from exploitation, loss of

employment and unfair treatment by ensuring that appropriate rights and protections are on the statute book. The three new clauses go some limited way in providing reassurance that there is legal redress against unfair treatment and victimisation, and that trade unions can operate effectively in representing their members and in implementing their members' wishes.

The aim of new clause 1 is to provide protection from dismissal or detriment for workers taking industrial action. I think that Members in all parts of the House agree that the right to take industrial action is a fundamental right. It is guaranteed by international treaties and conventions: the International Labour Organisation conventions of 1987 and 1998; the Council of Europe's European social charter and article 11 of the European convention on human rights and fundamental freedoms; and article 8.1(d) of the United Nations international covenant on economic, social and cultural rights. The United Kingdom's law on trade unions—in particular, the denial of the right to strike and to take industrial action—has been held to be in breach of those international treaties by the decisions of their supervisory bodies over many years. The new clauses would not go as far as to try to incorporate or enact the international statutes in UK legislation: I wish they could. My hon. Friend the Member for Wolverhampton, South-West (Rob Marris), who was described earlier as a Fabian, will appreciate the approach of gradually improving legislation, and the moderate approach that I generally take to such matters. The aim is to protect workers taking industrial action from being sued, sacked or otherwise penalised by an employer.

New clause 1 would provide that dismissals in anticipation of, during or after lawful industrial action would be void and ineffective, unless the employer could show that the reason for the dismissal was not connected to the industrial action.

Dr. Nick Palmer (Broxtowe) (Lab): I have a lot of sympathy for my hon. Friend's new clauses, and I am inclined to vote for the one on which he will call a Division, but, on the point that he just made, I am concerned that we would be asking the employer to prove a negative—that the interest in striking was not the reason for the proposed dismissal. I wonder whether it would not set an impossibly high hurdle, whereby someone who was threatened with dismissal could threaten to strike to invoke the new clause.

John McDonnell: In normal dismissal cases, the employer would need to bring forward evidence that demonstrated the grounds for the dismissal. We seek that balance—a demonstration of the legitimacy of dismissal—in this case, so that there are legitimate grounds, other than the taking of industrial action, that the employer can demonstrate. I understand my hon. Friend's concerns, but, in practical terms, for those of us who have been trade unionists and defended people at industrial tribunals, the emphasis is on the employer to bring evidence of why the dismissal took place. In such instances, the issue is about proving not a negative but the action, other than the relationship to industrial action, that demonstrates the grounds for dismissal.

Dr. Palmer: The new clause does, however, say that

"if…one of the reasons was…industrial action",

so the employer could demonstrate a perfectly valid reason for dismissal, but, if he was unable to prove that he was not also influenced by the threat of industrial action, he would not be able to proceed.

John McDonnell: The employer would have to demonstrate that its decision to dismiss on other grounds had not been contaminated by the fact that industrial action was taking place.

Mr. Andrew Dismore (Hendon) (Lab): As my hon. Friend knows, I am one of the signatories to new clause 1. What it proposes is modest. Given how it is phrased, it would not in the 1980s have prevented the dismissal of miners who had been criminally convicted for picketing and so forth. Presumably, such workers would still be dismissed even if the new clause were agreed to. That is why I think it is so modest.

John McDonnell: All this is destroying my revolutionary credentials. Let me be clear: we are trying to reach a consensus with the Government. For five years, we have consulted every trade union, through the TUC, on our proposals. There was even a resolution at the Labour party conference proposing similar trade union reforms. *[Interruption.]* The resolution did get through; there was a majority at the Labour party conference, although I accept that it followed the Gate Gourmet dispute and that it was an emotional period.

My proposal provides for minimal protection, not even to the level of international law, and it is practical. It is a pragmatic approach to ensuring that people cannot be dismissed during industrial disputes.

Mr. Brian Binley (Northampton, South) (Con): Will the hon. Gentleman tell us what assessment he has made of the additional tribunal cases that might result from his new clause? Has he assessed how many such cases might be vexatious and how much more cost they would impose on British industry and commerce generally?

John McDonnell: I shall come on to the percentages of current cases; at present, they are minuscule, which demonstrates that there is inadequate protection for workers in respect of reinstatement. I shall say more about that point later, and the hon. Gentleman can then come back at me if he wishes.

If a dismissal takes place, the new clause would make it automatically unfair. For employers, that will act as a powerful disincentive to taking on replacement staff and making strikers redundant. Interim relief would be available in all unfair dismissal claims relating to lawful industrial action and employees who had been unfairly dismissed would be entitled to automatic reinstatement if they requested it. The same principle would apply to the imposition of a detriment on the worker by the employer. The employer would have to show that the reason was not the worker's participation or proposed participation in lawful industrial action. However, let me be clear that that would not invalidate the normal process of withholding remuneration and benefits, limited to those that the employee would have received had he or she not taken industrial action.

Let me explain what the new clause means and what has motivated it. Most hon. Members are aware of the case of Friction Dynamics, which demonstrates that a group of workers can take lawful strike action—they went through a proper ballot and sent out the due

notices—yet be sacked. Two years later, a tribunal found that they had been unfairly dismissed. But what happened? What redress did they then have? Their jobs were gone. They could not gain reinstatement orders or even compensation because the employer company had gone into liquidation. Actually, the real owner was trading at the same factory under a differently named company, and the strikers' jobs had been filled by others. That was grotesquely unfair, and that example—one of the starkest—shocked the House and the Labour trade union movement into action.

Hywel Williams (Caernarfon) (PC): Friction Dynamics was located in my constituency. Seven years on, the workers involved have had no compensation whatever. To add to the iniquity of the situation, their then employer has now set up in another town with another variation on the Friction Dynamics-Celtic Friction name. That is disgraceful.

John McDonnell: That demonstrates how the law currently fails to protect workers undertaking lawful industrial action, and fails to provide them with any prompt and effective form of redress. Friction Dynamics was the starkest example, but many others can be used. That demonstrates that the law is grotesquely unfair.

In other countries, when industrial action takes place the contract of employment is suspended, not broken. In the past, the Government's response to these proposals has been to argue that during a lawful strike, protection against dismissal has been provided for up to 12 weeks, but in practice that has proved to be illusory. The right to claim unfair dismissal and receive compensation when sacked does not amount to protection against dismissal.

In response to the hon. Member for Northampton, South (Mr. Binley), the last figures that I have obtained, which are admittedly 18 months out of date but show a trend, show that reinstatement was awarded in only 0.2 per cent. of tribunal cases where claims went to a hearing. That is only 0.4 per cent. of all unfair dismissal claims. Even where an employer is ordered to reinstate, they are free not to comply, subject to penalties of compensation. There are now numerous cases where it is very difficult to gain reinstatement, and even where that happens employers flagrantly refuse to comply. I understand the hon. Gentleman's point with regard to burdens on business, but I do not believe that these proposals would be burdensome, and that has not been argued in the discussions that have taken place within Government. I think that he will understand that there is an issue of unfairness and equity if we can reach a situation whereby only 0.2 per cent. of tribunal cases result in reinstatements when so many are demanded.

Mr. Andrew Pelling (Croydon, Central) (Ind): The hon. Gentleman highlights the weaknesses in the current legal situation. His figures are from 18 months ago. Does he think that there might be an additional argument in favour of these proposals in the context of the changed financial environment, where some employers might be further tempted to exploit those weaknesses?

John McDonnell: The hon. Gentleman, who came into the debate slightly late, makes a valid point that I made in my introduction. People require greater protection as we enter a recession. They will be looking to their trade unions for protection, but they will be looking to Government to ensure that the legislation is in place to provide that protection.

Rob Marris (Wolverhampton, South-West) (Lab): Does my hon. Friend agree that, as regards burdens on business, the state of UK law arguably leads to unfair competition by our capitalists, because most of the labour jurisdictions in which other capitalists operate, in western Europe and in most of North America, have decent, enforceable rules about reinstatement?

John McDonnell: That is a good point. When Tony Woodley, who was general secretary of the T&G and is now joint general secretary of Unite, was the midlands organiser for the car industry, he consistently argued how much easier it was to sack workers in Britain, and therefore how much easier it was to relocate to other parts of Europe. The supervisory body of the United Nations international covenant on economic, social and cultural rights has told the Government on at least two occasions that in order to conform to their ratified obligations they need to protect the right to strike and to ensure that the dismissal of those on lawful strike is prevented and that any such dismissal must be rendered void and ineffective. The new clause would enable a form of compliance with this element of the Government's obligations and provide some protection from dismissal for workers taking lawful industrial action—those who, before taking industrial action, have complied with every procedure that the Government have obliged them to with regard to balloting, notices and so on.

That brings me on to new clause 2 and balloting. The new clause attempts to resolve the ongoing administrative problems of balloting procedures for industrial action. Let us be clear about this: under the existing procedures, trade unions must, before conducting lawful industrial action, comply with extensive rules on notices and ballots. Anybody who has had practical experience of that process can demonstrate the difficulties of consciously complying with the law. It places a heavy administrative burden and costs on the unions.

Mr. Dismore: As my hon. Friend knows, I used to practise in this area of law, and once those rules were introduced, it became a battle of lawyers rather than a battle of unions and employers. Time after time, I was asked to check balloting processes, and it was absolutely frustrating to find that employers would do all that they could to frustrate the ballot but would immediately rush off to court if one of the t's was not crossed. I cannot understand why, of all my hon. Friend's new clauses, the Government do no agree to this one, which I have backed. All it does is level the playing field. If an employer wants a ballot to be held, let us expect him to co-operate by giving the names and addresses of those to be balloted. What is wrong with that?

5.30 pm

John McDonnell: Various Members will have their own experiences of this situation, but for most trade unionists, let alone lawyers, it is an incredibly onerous task to comply with the law in question. It is costly, overcomplicated and, to be frank, it provides a battleground and a fair income—with the greatest respect to my hon. Friend—for lawyers. *[Interruption.]*

Andrew Mackinlay (Thurrock) (Lab): The Minister wants my hon. Friend to give way.

John McDonnell: I thought that it was a Government acceptance—a message from the front.

In practice, this situation sours industrial relations. It turns the industrial relations climate into one of hostility rather than one of negotiation.

Kate Hoey (Vauxhall) (Lab): My hon. Friend was talking about the souring of relations. Does he remember the national dispute last year involving the Communication Workers Union and the Royal Mail? After going through all the hoops by getting all workers in all categories put forward, the Royal Mail spent a huge amount of our money at the last minute on going to court. Is that not nonsense? In his discussions with the Minister, did the Minister give any real reason why the new clause cannot be accepted?

John McDonnell: No. I hope that the Minister will give us the reason why he can accept it. I cannot see any reason why it should be rejected.

We all have examples—I have mine—but the Royal Mail is a classic one. All the information was provided, but the totals of each grade of staff were not added up. All that was needed was a calculator, but on that basis an injunction was awarded to prevent the dispute. As my hon. Friend said, that was costly, and it soured relations between the union and management for a period.

The Government recognised the problem, and they legislated in 1999 and 2004 to tackle the issue. They understood that the procedures undermined the democratic wishes of trade union members by preventing their implementation. I was pleased that the Government recognised that and introduced reforms. Experience has since shown that the reforms were not successful; we still have the same problems. The current laws require unions to provide the employer with exact numbers of members, categories of workers and the workplaces of those to be balloted, but still allow lawyers to apply for injunctions based on small technical errors, even where they have no effect on the outcome of the ballot. That cannot be just, and it cannot be right. The use of injunctions by lawyers is frustrating and undemocratic, especially when the error complained about could have no impact on the final result. It is extremely difficult in modern work life to keep trace of meticulous records of all members in a modern work force.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): Hang on a moment. Elsewhere in the Bill trade unions are being given the right to discriminate against their membership in the name of defining what their membership should be, as membership organisations, but here is the hon. Gentleman arguing as part of the package he wants that unions should not have to keep meticulous records of who their members are. That does not hang together very well.

John McDonnell: I appreciate the hon. Gentleman's point, but I am trying to explain the difficulties that exist. I am not trying to argue that unions should not keep meticulous records—they will do their best. New clause 2 seeks to gain employers' co-operation in statute to enable that to happen.

Mr. Dismore: A good example of my hon. Friend's point is that, when people change their address, they almost always notify their employer, but nearly always forget to tell their trade union. In these days of postal ballots, how on earth is the union to get the ballot papers to the members if they do not register their addresses? With the best will in the world, the employer knows the employees' addresses far better than the union, even if the union knows the names of the members, which it does.

John McDonnell: I shall deal with the detail of new clause 2 shortly, but it seeks to ensure co-operation between the union and the employer and vice versa—that is all.

Let us consider the difficulties in the modern workplace. First, flexible work patterns have increased among the modern work force. In some industries, workers do not have a regular workplace—they often work from a distance or move between different work sites. Privatisation, out-sourcing and offshoring individual contracts in company departments have exacerbated the trend. Payment of union subscription is often made by direct debit and people do not notify the union of change of employment or workplace. Consequently, employers issue injunctions for minor technical issues, disputes escalate and the overall industrial relations climate deteriorates.

Let me give some examples of the farcical nature of the problems that are experienced. The Communication Workers Union and Royal Mail have already been mentioned. The Union of Construction, Allied Trades and Technicians—the building workers' union—finds it virtually impossible to comply with the law because so many of its members are on so many different sites that it is cost-ineffective even to try to ballot them. It is difficult to trace them at any one time.

The latest example involves Unite and the bus strike in London. Unite balloted its bus worker members on a wages matter. Bus drivers were being paid differently for doing the same job—even on the same route—because they were employed by different companies under the privatised system. There was 90 per cent. support for industrial action and the results were provided to the general secretary. As some hon. Members know, the procedure in Unite is that the general secretary receives the results, discussions take place with the national executive committee, the matter is passed on to the relevant region and it is decided whether to proceed with the action. That is perfectly appropriate and exhaustively democratic. However, because the process took 36 hours, Unite was injuncted and the industrial action could not go ahead. We are now told that the union may be threatened with damages for some action that took place.

Andrew Miller (Ellesmere Port and Neston) (Lab): Is not that the core of the problem? My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) is the only lawyer I know who has driven a bus. The judge who made the decision had no practical understanding of the workings of a trade union or of running a bus company. If the matter had been left to the bus company and the trade unions in the spirit of new clause 2, the problem would not have arisen.

John McDonnell: The problem is that the current system encourages the rush to litigation. It undermines normal industrial relations as we have experienced them

in the past and frustrates individual trade members, who feel that their internal democracy is being undermined. It also frustrates several managers on the ground, whose wishes have been overridden as a result of senior management decisions, after conferring with lawyers, to resort to legal action.

The National Union of Rail, Maritime and Transport Workers had a similar case. It balloted employees of Southeastern Trains and the result was a 72 per cent. majority in support of strike action. Three days before the action was due to commence, Southeastern Trains announced that it sought an injunction against the union on the basis that the ballot was invalid because the union had not included four drivers. The union then balloted those four drivers, but it was argued that that was too late. Four votes either way would have made no difference whatever to the decision to undertake industrial action, but that action was prevented, as was, in my view, the speeding up of negotiations to resolve the dispute. There is example after example of where the Government's genuine wish to reform the balloting procedures and enable us to return to a decent industrial relations climate and re-establish basic trade union rights in this country have been frustrated because we did not go far enough in 1999 or 2004.

Mr. Dismore: My hon. Friend is being very generous in giving way. It should be emphasised that when a ballot is challenged in the courts and an injunction is granted, that is not the end of the story. The union will rerun the ballot, hoping to dot the i's and cross the t's, and inevitably the vote in favour of industrial action will increase dramatically, hardening attitudes on both sides and making the dispute that much harder to resolve in the long run.

John McDonnell: I do not know of any incident where the decision of a ballot has been reversed after a subsequent ballot. We have trawled as many cases as we can, looking for examples of where the provisions have been nefariously implemented and trying to get an honest appraisal of how the law is being implemented.

New clause 2 is an extremely reasonable and relatively minor amendment. It is a tidying-up amendment that would place a duty on employers to co-operate with the unions when a ballot is held. What would that mean? Employers would be required to supply information to assist the union in complying with the notice and balloting requirements. In particular, employers would be expected to provide unions with information on

"names, addresses, categories and workplaces of those members whom"

they plan to ballot. That would assist the union in complying with its legal requirements, but not diminish the employer's entitlements. The employer would have only to respond to reasonable requests. We introduced similar duties in the statutory recognition procedures, which we debated in the House in 2004. New clause 2 goes no further than that, making a simple request for co-operation from the employer, which must be undertaken in a reasonable manner.

Mr. David Drew (Stroud) (Lab/Co-op): I hear exactly what my hon. Friend is saying and I totally support him. Does he agree that there is a marked difference between the private and public sectors? My experience of trade unions in the public sector is that employers would never dream of not realising the type of information that he has described. That is sometimes not the case, but in many cases good relations have been built up over a long period. However, there are still significant problems in the private sector. We need parity, equality and fairness.

John McDonnell: That description might have applied 10 or 15 years ago, but I am not sure that it does now. For instance, privatisation, outsourcing, contracting out and the use of agencies rather than departments has undermined the position. Those agencies that remain in the public sector, but which are undertaking work that would have been mainstreamed within a department, now operate virtually as private contractors. There was a difference in the past, but there is an increasingly smaller difference now.

Mr. Ian McCartney (Makerfield) (Lab): My hon. Friend is being somewhat unkind about the history of such matters. As someone who dealt with the issue in 1999, I can say that the determining factor is not whether an employer is in the public or private sector, but the relationship at the point that the dispute breaks out and industrial action becomes possible. It is irrelevant whether the employer is in the public or private sector. The consequences are quite devastating, and the real issue is not the right of trade unions as bodies, but maximising the participation of the work force in a decision that might lead to them withdrawing their labour, with all the consequences that my hon. Friend has mentioned.

John McDonnell: Any laws that undermine union members' democratic participation in and control of that union need to be reformed. That is what our amendments are all about. I agree with my right hon. Friend. There can be poor employers in the public and private sectors. The differences have now gone and complications are experienced just as much in the public sector, as units have been broken down and forms of flexible working have been introduced, even right down to hot-desking, all of which make it difficult to maintain records of membership.

Tony Lloyd (Manchester, Central) (Lab): On the public-private issue, is my hon. Friend aware that, when Unison has to conduct a ballot in schools, it now has to write to 25,000 schools? Among the 25,000, it knows that 10,000 now have a degree of self-management, and that not all those schools are well disposed towards trade unionism. However, the union does not know which other schools might have changed their status and, as a belt and braces measure, it has to contact all of them. This involves massive expense and a great deal of uncertainty for those involved. It makes no difference to the outcome of the ballot, because a ballot has never been lost on that basis, but it does increase resource costs to union members.

5.45 pm

John McDonnell: The fact that there is now such a variety of public institutions complicates matters—do not get me going on academies.

Ms Katy Clark (North Ayrshire and Arran) (Lab): We have been talking about the complicated nature of the changes taking place in the workplace, in the public and private sectors. I am sure that my hon. Friend will be aware that individual workers are often not informed of changes—for example, changes involving the identity of the employer, complex corporate changes and changes to job categories. That is precisely the kind of information that the courts require be provided. Does he agree that the employer is often best placed to have the most accurate information, and that it is therefore reasonable to require them to provide it to the trade union, to enable the trade union to comply with the law?

John McDonnell: The new clause is simply seeking to ensure the co-operation of the employers who hold that information, and it would be in their long-term interests to comply with such a provision.

I apologise for having dealt rather flippantly with the point on education made by my hon. Friend the Member for Manchester, Central (Tony Lloyd). He provided a very good example of an area that contains an enormous range of establishments, resulting in balloting incurring very high costs. The Electoral Reform Society and other organisations must be making a fortune out of that. I must declare an interest at this point, because my wife works for the society, but that is another thing altogether.

It would be relatively easy for individual schools to supply information to a union, and for co-operation to be established in that way. That is all that new clause 1 seeks to achieve. It seeks to ensure that employers are engaged in assisting unions to keep their records up to date, which would enable proper democratic ballots to take place. My hon. Friend mentioned Unison, and that is a good example. One of the worst things that can happen is for someone not to receive their ballot papers. They feel aggrieved at having been unable to participate in the decision and, if industrial action does take place, they feel that they have not been party to that final decision.

Rob Marris: May I underline just how modest my hon. Friend's proposal is? The balloting procedures exist so that, if a union goes through them properly, it will not have damages awarded against it for the tort of inducing a breach of contract. A more radical proposal—which I suspect my hon. Friend might, at some point, consider—would be to abolish the tort of inducing a breach of contract. If we did that, we would not need this panoply of balloting procedures.

John McDonnell: We would then be on a par with European law, because the right to strike is in place in most European constitutions. As my hon. Friend knows, the history of this goes back to Taff Vale in 1906, when we gained impunity against actions for tort when industrial action was taking place. The interesting thing is, however, that we now have fewer trade union rights in this country than we had in 1906. After 11 years of a Labour Government, I congratulate them on some of the improvements that have been made, and I am hoping that tonight we will be able to move that bit further towards re-establishing some fundamental rights for trade unionists.

New clause 3 deals with agencies, and seeks to address the continuing problem of the use of agency workers by an employer to replace striking workers during an industrial dispute. I congratulate the Government on seeking to address that issue in 2003, but certain anomalies remain as a result of problems with the law. The new clause seeks to tidy up the Government's original proposals. I should like to explain that in a little more detail.

In 2003, the Government introduced the Conduct of Employment Agencies and Employment Businesses Regulations 2003. The regulations bar the use of replacement labour to carry out the duties normally performed by a worker undertaking lawful industrial action or lawful strike action. They also bar the replacement of a worker who has been assigned to do the work normally performed by a worker undertaking lawful industrial action or lawful strike action. There are, however, three fundamental weaknesses in the regulations that need attention.

First, the regulations distinguish between an employment agency and an employment business. An employment agency introduces workers to hirers for direct employment by the hirer, and it can include temporary contracts. An employment business, on the other hand, supplies temporary and casual workers to third-party hirers. The clause barring the provision of replacement labour during lawful strikes applies only to those hired through employment businesses. If an employer hires labour through an agency rather than a business, they can avoid liability for engaging casual labour during lawful strikes. The amending provision would remove that anomaly. Secondly, the bar on supplying replacement labour applies only if the supplier knows that the worker is replacing one taking industrial action, so the onus is on the supplier of the labour to know whether industrial action has taken place. The amendment would clarify the regulations to impose a duty on the hirer—the employer—to inform the supplier about industrial action, and makes it unlawful for the hirer to hire replacement workers to carry out work usually done by workers who are lawfully engaged in industrial action. It closes that loophole; it is a tidying-up provision.

Thirdly, current regulations relate to replacement labour being employed during periods of official industrial action. However, the legislation has proved ineffective in that it allows employers to hire labour just prior to industrial action, thereby letting bad employers avoid the intent of the legislation. The amending provision would ensure that replacement labour could not be used to do the work of those taking part or intending to take part in a lawful strike.

My hon. Friend the Member for Vauxhall (Kate Hoey) provided a good example earlier when she mentioned the Communication Workers Union dispute at Royal Mail. Hon. Members will recall that the CWU took industrial action in 2007 when Royal Mail was repeatedly challenged about the recruitment of casual labour during the dispute. The union referred to the restrictions in the Conduct of Employment Agencies and Employment Businesses Regulations 2003, claiming that in Bristol alone the use of casual staff increased from 12 immediately prior to the dispute to more than 250 during the dispute. The employer, the Royal Mail, insisted that it was acting in accordance with the law. So confident was it in its ability to circumvent the intention of the legislation that it established a number of operations at various

sites across the country to do the work of the striking workers, using casual labour. It did so by utilising the loopholes in the Government's legislation. The use of such tactics undermined the staff's decision to go on strike and demonstrated the failure of the regulations to prevent employers' abuses, which the Government had sought to legislate against. It soured industrial relations in the Royal Mail for a long period to come.

Gwyn Prosser (Dover) (Lab): May I provide my hon. Friend with a more up-to-date example, in that a dispute is brewing in the port of Dover? About 200 of the work force are about to be laid off or hived off to the private sector, and we heard yesterday that Dover harbour board is considering taking in Gurkhas to fill the gap. Is that not precisely the sort of loophole that we need to close to stop that sort of thing happening again?

John McDonnell: I believe that the Government legislated with good intent to close that loophole in 2003. Let us be frank about it: scab labour was being used to undermine a legitimate dispute. The Government thought that they had seriously resolved the problem. Since 2003, however, we have seen so many examples of where employers can, with appropriate legal advice, ride a coach and horses through the legislation. That shows why we need the new clauses.

Kate Hoey: I want to add to my hon. Friend's point about the bitterness that has been caused in the unions. The Communication Workers Union does things properly and has done so for many years, and its members serve the public day in, day out. I know how much bitterness has been left in areas such as my Nine Elms and other parts of London as a result of what happened in that dispute. It has been particularly damaging and it shows precisely why the Government should accept the new clause. Otherwise, long-term damage will be done to the relationship between trade unions and the public.

John McDonnell: I could not have said it more eloquently myself. I would add that abuse of the system by attempts to outflank the regulations also provokes unlawful wildcat action—understandably, as people get so angry when other workers are brought in to take their jobs and undermine their work and conditions. Usually, as we all know, people are paid pretty exploitative wage levels.

If the Government cannot accept the new clause, I hope that they will accept that there is an issue to be addressed and produce some proposals within a limited timetable. It was the Government themselves who sought to legislate to avoid the problem in 2003.

Mr. Dismore: As my hon. Friend knows, I have signed up to his new clauses. If the Government are not minded to accept them, however, does he agree that since the previous reform was brought about through regulations, the Government could quickly produce amendments to those regulations, which could then be passed relatively quickly if they thought it desirable?

John McDonnell: It is my view that the provisions are a tidying-up exercise, closing loopholes in legislation. It would be reasonable for the Minister to announce some consultation on appropriate delegated legislation that could deal with the problem. That would be entirely within the spirit and conform to the principle of the Government's intentions in 2003.

In this difficult economic period, we all hope that we can protect people in their jobs, secure their employment and, above all else, prevent exploitation, victimisation and unfair treatment. The three new clauses will go some way towards providing limited protection in the more difficult economic environment in which we all now operate.

I hope that the Government will think seriously about balloting procedures, so I will want to test the will of the House on new clause 2. On new clauses 1 and 3, I would welcome a statement from the Minister that there are issues to be addressed and that the Government will look into how to address them, perhaps by consulting hon. Members, trade unions and employers to see how best to move forward and ensure a good industrial relations climate in the coming period. At the very least, we should attempt to ensure fairness and prevent unequal and unfair treatment.

Mr. Jonathan Djanogly (Huntingdon) (Con): The Bill has wound its way between our two Houses for some time now—I believe since 7 December last year—with more or less agreement between the various parties on its contents, albeit with a difference of emphasis. We feel that the Bill is also a lost opportunity in failing to relieve the regulatory burden on business in respect of employment. As to these pro-union new clauses, the mood changes somewhat, as we totally oppose them. Here the true face and belief of the hard left of the Labour party is exposed and it is not a pretty sight for business.

The starting point of all modern industrial relations law is—and has been for well over 100 years—that industrial action is unlawful unless protected. In effect, participants in authorised industrial action have protections against being sued, making industrial action lawful. As such, the new clauses would represent the most fundamental change to industrial relations law for a century and could catastrophically unbalance industrial relations in the UK, empowering trade unions to bring our economy to its knees.

Section 238A of the Trade Union and Labour Relations (Consolidation) Act 1992 was inserted by the Employment Relations Act 1999. As it currently stands, the section provides protection to a striking employee within a framework. There is no sense that the employee is to be considered unfairly dismissed through an arbitrary action in statute. The new clause would allow striking employees to hold companies to ransom. It would serve as a brake on commercial enterprise and return us to the dark days of the 1970s—three-day weeks and perpetual strike action.

6 pm

Ian Stewart (Eccles) (Lab): The hon. Gentleman clearly does not understand industrial relations or the law. What he refers to was originally set up to ensure that when employers face a ballot for industrial action, they have good-quality information. It runs side by side with provisions such as cooling-off periods, which were introduced so that the employer and the trade unions could negotiate to try to resolve the problem and the ballot would not need to be put into action. He is wrong to tell the House that the problem is striking employees. They do not strike until after all the law on balloting has been implemented. He is wrong.

Mr. Djanogly: I appreciate what the hon. Gentleman says. Indeed, the Bill is reforming the law in relation to ACAS, and we have for the most part supported the provisions on that. However, with this new clause we are staring down the barrel of a return to the old nasty days. Given that 90 per cent. of the Labour party's funding comes from the very trade unions that the new clause would empower, perhaps Labour Members would welcome such a change—or they are at least unable to prevent their arms from being twisted by their party's sponsors.

The hon. Member for Hayes and Harlington (John McDonnell) needs to put the new clause in context. For starters, will he say what unions have been promoting it? Does it form part of the Warwick II agenda, for instance?

John McDonnell: I shall send the hon. Gentleman a copy of my speech when it appears in *Hansard*. I referred early on to the support of every trade union affiliated to the TUC and said that the new clauses were unanimously carried by the TUC and its general council.

Mr. Djanogly: It is nice to hear the hon. Gentleman make clear the support of his party's paymasters.

Rob Marris: I rise to declare my interest as a long-term member of Unite and a member of the GMB. Will the hon. Gentleman care to declare his interest, as registered, as a partner in a large law firm, SJ Berwin?

Mr. Djanogly: My interest is clearly stated in the Register of Members' Interests. It forms no part of the debate because a law firm would act for either party in a dispute.

What has happened—hon. Members may agree with this—is that the Government have presided over a period of greed and arrogance on economic matters. The Labour Government have come to represent the zenith of boom and bust. They have taken the nation to the brink of recession. Businesses across the UK now face difficult decisions as a result. Jobs will be lost and businesses may fold. The last thing the Government should do is hand the power to self-interested employee groups to hold companies to ransom. The Government would be wrong to do anything that more than simply dismisses the new clause. If they do not, it would add yet further weight to the rumours that the "beer and sandwich" culture of the 1970s has worked its way back into Downing street.

Mr. Drew: I understand that Mr. Richard Balfe has been talking to trade unions on behalf of the Conservative party. I would be interested to hear whether he has delivered the same message as the hon. Gentleman is setting out, because I am not sure how long those discussions would have lasted had Mr. Balfe given that speech to the trade unions. What have those discussions been about?

Mr. Djanogly: The purpose of the debate is not to go through our private discussions with trade unions. However, we are more than happy to talk to trade unions. We have been doing that and will continue to do so because we want to have a smooth industrial relations policy when we get back into power. That does not mean that we will go to the extremes set out in the new clauses.

Ian Stewart: If the Opposition have been talking to the trade unions, have the trade unions never explained why they want the new clause?

Mr. Djanogly: The trade unions have not personally approached me to discuss the new clause, but it seems as though they have approached a lot of Labour Members.

Let me mention the worst aspects of the new clause from the Conservatives' point of view. It would be virtually impossible to dismiss a worker conducting industrial action under proposed new section 238A(1) and (2). Currently, employers can only fairly dismiss workers who are conducting union-approved industrial action where, first, there has been no proper ballot; secondly, they have made reasonable steps to resolve their trade dispute; thirdly, they dismiss every striking worker; and fourthly, they do not re-engage any of them within a three-month period. Although that scenario is extremely rare, the provisions are vital. They ensure that an employer can ultimately get on with business when striking workers are making unreasonable demands. In our view, the provisions clearly already provide reasonable protection to those who are conducting authorised action.

Industrial action short of a strike would be legalised by proposed new section 238A(3) and (4). The effective legalisation of action short of a strike, such as work-to-rule or a sit-in, would empower unions in a way not seen since the 1970s, when work-to-rule formed part of the action taken by unions intent on crippling the economy. Unbelievably, unions would no longer be liable for the consequences of their actions under the new clause. That is of fundamental importance. Under the current law, injunctions can be granted against trade unions by the courts and damages awarded where actions that they have endorsed are viewed as unjustified or disproportionately damaging to the employer. That provides an important check and balance against inappropriate behaviour and is mirrored by a substantial body of law restricting an employer's conduct in a trade dispute. By removing liability on a worker engaged in industrial action, the unions would no longer be liable either. That would fundamentally unbalance industrial relations in our country.

Mr. Parmjit Dhanda (Gloucester) (Lab): Does the hon. Gentleman not in any way consider that what he has just said could change the mood of the relationship between employers and employees and might encourage more people to work to rule rather than take the risk of strike action?

Mr. Djanogly: I simply disagree. The hon. Gentleman is not right.

Proposed new section 238AA(2) and (4) would mean that staff are entitled to full pay when conducting industrial action, removing any disincentive from taking such action. Proposed new section 113A to the Employment Rights Act 1996 would make it impossible to make redundancies wherever industrial action occurs, even if the whole business would collapse as a result. Requiring employers to provide the detailed information necessary for ballots would place an unfair administrative burden on them during tough times. Moreover, the new clause would shift responsibility for conducting a proper ballot from the unions to employers, effectively giving the union someone else to blame if there are flaws in their paperwork or ballot conduct.

In general, the new clause has a number of fundamental flaws. It calls for the continuation of employment as well as an award for damages where an individual has been dismissed for industrial action. That is in effect a double bite at the cherry—an opportunity that would not be offered to normal employees in any other unfair dismissal proceedings. Hon. Members who have tabled the new clause either hope to carve out a preferential niche for striking workers or they should have consulted more widely on it.

Mr. Binley: Let me declare an interest. I have been the managing director of a company employing 140 people who has been the target of vexatious claims. I hope that that interest is well understood by Labour Members.

I draw my hon. Friend's attention to the statement in proposed new section 238AA(2):

"A worker has the right not to be subjected to any detriment by any act, or deliberate failure to act, by his employer".

Does that not give an employee who has not been promoted a year and a half after industrial action the right to claim constructive dismissal on the basis that he was denied promotion because he had taken part in that strike?

Mr. Djanogly: I think that my hon. Friend's point is very arguable, and is of huge concern in the context of the real impact of these provisions.

The new clause goes on to offer striking workers immunity from dismissal proceedings by the company. That too goes one step further than the current provisions of section 238A, thus pushing the new clause further into the category of what we see as unacceptable. I am afraid that, from a pro-business standpoint, it loses none of its initial unreasonableness as it proceeds. Taken as a whole, the new clauses would tie the hands of business in an unacceptable manner, at a time when we should be unburdening businesses to allow them to survive these turbulent times.

What I have said about new clause 1 could just as easily be applied to new clause 2. Again, trade union representatives are seeking preferential treatment for those on strike, or, in this particular case, those about to strike. On a fundamental level, I find the new clause difficult to swallow. It would place a duty on an employer to assist in an action that would harm their own business, which is akin to asking a condemned man to tie his own noose.

Section 226 of the 1992 Act requires unions to hold a ballot before industrial action is taken for it to fall within the category of "protected action", and the Act goes on to secure a union's right to strike. That right should not be further extended to impose a duty on companies to assist union members in bringing their action within the protection of the legislation. If union officials cannot do that themselves, and also need the company to supply the details of their own members, I cannot see why they deserve the protection that the new clause would provide.

New clause 3 would prevent companies from employing workers to fill the places left by those taking industrial action, which I think the hon. Member for Blyth Valley (Mr. Campbell) called a scam.

Mr. Ronnie Campbell (Blyth Valley) (Lab): That is what it is.

Mr. Djanogly: The new clause would hamstring businesses and prevent them from continuing their business during such action, which in turn would artificially exacerbate the effect of any industrial action, and would hand a powerful bargaining tool to the unions.

Given the anti-business rationale of the new clauses, we in the Conservative party oppose them wholeheartedly, and strongly suggest that the Government do the same.

Lorely Burt (Solihull) (LD): Following that speech, I hope to throw a little more light than heat on our proceedings.

Unlike some Members, I have listened carefully to both sides of the argument, and have taken advice from both the TUC and the CBI. On new clause 1, I cannot quite agree with the CBI, which has said:

"Implying that industrial action is inherently lawful would represent the most fundamental change to industrial relations law in generations—and could empower trade unions to bring our economy to its knees".

I do not recognise that description, nor do I recognise the description that we heard from the hon. Member for Huntingdon (Mr. Djanogly).

New clause 1 would replace the section of the Trade Union and Labour Relations (Consolidation) Act 1992 which deals with the dismissal procedures applying to those who participate in official industrial action with a new section that strengthened the protection of employees participating in lawful industrial action. The question is whether the onus should be on the employer to prove that a dismissal was not related to a strike, or on the employee to prove that it was. If the dispute was about wages the new clause would work, but if it related to disciplinary charges or charges of victimisation, it might well encourage workers to go on strike in the knowledge that they could not be sacked. Although I am very sympathetic to the aims of the hon. Member for Hayes and Harlington (John McDonnell), I hope that the Government will investigate the new clause further, and return with a proposal on which all Members can agree.

Mr. Ronnie Campbell: Wishy-washy!

Lorely Burt: From a sedentary position, the hon. Member for Blyth Valley (Mr. Campbell) describes my position as wishy-washy. I would suggest—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. We must not have these continued interruptions. They seriously disrupt the debate. If the hon. Member for Blyth Valley (Mr. Campbell) wishes to intervene, he should do so in the usual way.

6.15 pm

Lorely Burt: One man's wishy-washy might turn out to be another person's honest attempt to take a balanced view. I am sorry that the hon. Member for Blyth Valley does not recognise that.

The Liberal Democrats are not in a position to support the new clause at this stage, but we believe that the hon. Member for Hayes and Harlington has made an interesting and valid point. I hope that the Government will be able, on another occasion, to present us with a measure that could work in any number of circumstances.

[Lorely Burt]

I am afraid that we are not in a position to support new clause 2 either, because it appears to place an onerous requirement on employers to supply information to unions in relation to industrial action ballots. As I am sure all Members know, strike action can have extremely serious consequences for a business or organisation.

Ian Stewart: The hon. Lady says that strike action can have an onerous effect on employers. I was an officer for the Unite trade union for 20 years, and never once encountered a trade union member who wished to go on strike. Employees never gain from strike action: they lose money that they never get back, and they can only ever achieve what they were aiming for.

The hon. Lady should bear in mind the fact that although employers have legitimate claims about industrial action, so do employees. That is why the law is couched in a way that protects employees against detriment. Any employee whose name is not on the list is not protected; the aim of including all the names on the list is to protect the employees as well as the employer.

Lorely Burt: I certainly did not intend to imply that strike action does not have serious consequences for employees as well. When industrial relations reach that point it is always a tragedy, and I am sure that both sides would want to avoid that at all possible costs.

I consider it right for any union proposing a strike to keep meticulous records, and to supply full information as specified in the current legislation. If subsequent stages are problematic in the way described by the hon. Member for Hayes and Harlington—for instance, if judges grant injunctions in apparently unreasonable circumstances—that is surely a matter for the judicial system rather than the employer.

Mr. Gordon Marsden (Blackpool, South) (Lab): I am listening carefully to the hon. Lady's speech, and I understand the balance that she is trying to strike, but may I ask her what redress employees have in a poisonous industrial dispute in which an employer furnishes false information about their status?

Lorely Burt: The hon. Gentleman probably knows the answer to that question better than I do. Perhaps he will be able to inform the House later.

How does an employer know whether all the categories of staff on whom the union asks for information are actually union members? I suggest that he cannot know. Is it not up to unions to keep records of their own members? In my view, the new clause imposes an onerous additional requirement on employers.

New clause 3 is reasonable, and we would support it. It seems that there are loopholes in existing law and that employers and agencies are colluding to get round current legal requirements. If, as some Members might wish to imply, such loopholes do not exist, there is no harm in adding the new clause to the Bill.

We do not support new clauses 1 and 2. I believe that the hon. Member for Hayes and Harlington will press only new clause 2 to a Division. That is a shame, as I would have welcomed the opportunity to support him on new clause 3.

Mike Penning (Hemel Hempstead) (Con): I will not detain the House for long. Many of the old Labour Members who are present will know that I am a trade unionist: I was a proud member of the Fire Brigades Union for many years. When I joined the FBU—which was before it was thrown out of the Labour party—it was a closed shop, although I am pleased to be able to say that the union has moved on from that.

I have grave concerns about two aspects of these amendments. New clause 1 has been extensively discussed, but I wish to talk about proposed new section 238AB(4)(b), relating to complaints to employment tribunals. It states:

"and for the avoidance of doubt, compensation may be awarded in respect of injury to feelings whether or not awarded under any other head."

That measure would allow an unlimited sum of compensation to be awarded for "injury to feelings". How will that be assessed? My feelings are very upset that old Labour Members are not screaming and shouting at me, as a former trade union member, for standing up to speak against new clause 1. Am I to be compensated for that? Should I approach a trade union and say, "Come and represent me, and see if my feelings have been hurt"? This is a ludicrous situation.

Rob Marris *rose—*

Mike Penning: No, I will not give way.

Under this proposed measure, an unlimited sum of compensation could be imposed on a large or small company because somebody's feelings had been hurt. I am sure that this proposed new section was drafted with the best intentions, but it should have been drafted much better, and that could also be said of several other parts of new clause 1.

Rob Marris: Will the hon. Gentleman give way on that point?

Mike Penning: No.

As for new clause 2, I am astonished that so many of the trade union members and former trade union members who are at this moment sitting on the Labour Benches—some of them with 20-odd years' experience as officials in trade unions—do not have a clue where their members are. How can they turn to an employer and say, "Excuse me, but I'm not quite sure where my membership is at present, so will you please be kind enough to let me know where my members are?" What sorts of organisations are you Labour Members members of? My fishing club knows where I live, let alone a trade union with thousands or millions of members around the country. Perhaps some of your members should have more contact from you. Perhaps some of your members should know—

Mr. Deputy Speaker: Order. The hon. Gentleman must remember that they are not my members.

Mike Penning: If you were a member, Mr. Deputy Speaker, I am sure you would know where your office was and where your membership was.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): For the avoidance of doubt, my hon. Friend should know that for a number of years now one of the larger unions has insisted that I am a member of that union, and I repeatedly get voting rights papers coming through the door. The unions had got themselves

into quite a mess even when I was leader of the party, and this is why these Labour Members have tabled this new clause.

Mike Penning: My right hon. Friend highlights the complete chaos that still exists within the trade unions. Perhaps before the unions go to the employers and ask where their members are, they should make a point of contacting their members and explaining to them how much of their contribution to the trade union goes to the Labour party and is bankrolling the Government. That is crucial, because if they are doing that—*[Interruption.]* Labour Members say from a sedentary position they are doing that now, but if they are doing that, they do not need an employer's help to find out where their members are. On that basis, any sensible person would oppose new clause 2.

Hywel Williams (Caernarfon) (PC): I am pleased to express my support for the new clauses. If there is a Division I shall support new clause 2, and I hope the Government will take account of our discussions on new clauses 1 and 3 and will look to make changes to the provisions.

As Friction Dynamex has been referred to, I shall speak briefly about that company. I am the MP for Caernarfon where it was located, and I represent the bulk of workers. The other workers are represented by the hon. Members for Ynys Môn (Albert Owen) and for Conwy (Mrs. Williams), and I hope they will be able to make their views clear if there is a Division.

I shall not rehearse the events at Friction Dynamex in detail, except to say that the workers did win their case at the industrial tribunal in the face of provocations and manipulations, and evasions and underhand and infamous tactics on the part of the employer. They and the union concerned were very careful to follow the rules and the law. They acted properly, and they remained united with the support of the local community. They won their case at the industrial tribunal because, fortuitously, my predecessor, Dafydd Wigley, kept recorded contemporaneous accounts of a telephone conversation with the employer, which revealed his real intentions, which were to provoke a strike, sack the workers, strip the assets from the company and make away with large sums of money. That is what happened at Friction Dynamex, and the aftermath is that Friction Dynamex has closed, the factory is derelict, the workers have been dispersed and have received no compensation, and the employer has now set up in another town and, from all accounts, is up to his old tricks again.

These new clauses seem to me to be eminently reasonable in their intention. They would have led to this case not having to come before an industrial tribunal and to the avoidance of years of struggle, stress, loss of earnings and loss of compensation, which my constituents, and those of other Members, faced in this long drawn-out industrial dispute. Had these provisions been in place, there would also have been a disincentive to bad employers to set up in the first place, setting in train the sort of wicked plans the employer at Friction Dynamex followed. I hope the Government take notice of this debate and look carefully at changing the provisions so that good employment practices can drive out the bad. That is no small prize.

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): Let me begin by thanking the many hon. Friends who have turned up to support this important Bill, which deals with a number of issues that are close to our hearts.

I think it is safe to say that the new clauses would take the Bill into some new areas compared with the debates we have had so far, and, as my hon. Friend the Member for Hayes and Harlington (John McDonnell) said, some of them reflect the private Member's Bill that he and other Members sponsored not long ago.

New clause 1 proposes extensive changes to the law protecting individuals against dismissal or the suffering of other detriment for taking, or proposing to take, industrial action. My hon. Friend is always modest when proposing these changes; he describes them as modest and minor tidying procedures, but although I appreciate that these are sometimes subjective judgments I am not sure whether everything he has said would be regarded as such.

The law with which new clause 1 deals was changed by the Employment Relations Acts 1999 and 2004, which introduced two new forms of protection against dismissal for employees taking part in protected industrial action—in other words, action that is official and lawfully organised. The first protection was that it became automatically unfair to dismiss individuals for taking protected industrial action lasting 12 weeks or less—we also discounted lock-out days from the calculation of that 12-week period. My hon. Friend the Member for Hayes and Harlington and the hon. Member for Caernarfon (Hywel Williams), who spoke for the Welsh nationalists, mentioned the Friction Dynamics dispute. Some of these changes came in after that dispute, and reflect the changed legal picture since.

6.30 pm

The second protection covers the actions taken by an employer to resolve a trade dispute with a trade union. Under the law, it is unfair to dismiss a person for taking any form of protected industrial action, including action lasting more than 12 weeks, where the employer has failed to take reasonable procedural steps to try to resolve the trade dispute—a protection does extend beyond the 12 weeks where the employer refuses to engage. Those significant protections have come into force since some of the disputes that have been mentioned, and they cover the vast bulk of official industrial action. Most industrial action is relatively short-lived; few disputes last more than 12 weeks. We can argue about the past, but the statutory protections against dismissal are greater than have been in place for a long time.

My hon. Friend the Member for Hayes and Harlington believes that the law should specify in detail what sanctions short of dismissal the employer may apply against those taking part in protected industrial action and that those sanctions should be limited to the loss of earnings when the workers are on strike and, therefore, not working. That is typically what happens at the moment, although I accept that there can be disputes about this. For example, I understand that in a recent case in the education sector there was concern that the employer had deducted larger sums from pay than was fair in relation to the dispute. The court found in favour of the union member, stating that the employer had incorrectly

calculated the amounts of pay to be deducted. In that case, the existing law provided an adequate constraint against abuse.

New clause 1 contains an extensive proposal to change the law by making it, in effect, unlawful for an employer to terminate a contract, where it is broken by a worker, for taking protected industrial action. The new clause would make it automatically unfair to dismiss an employee if any of the reasons concerned the taking of protected industrial action and would lift the limit of compensation.

Mr. Binley: The Minister will know that I welcomed the Bill in Committee, specifically because it placed more responsibility on ACAS to negotiate before tribunals were reached. Does he recognise that new proposed new section 238AA(2) opens up the opportunity for vexatious cases in the way that I described in Committee? Such an approach has helped to create a blackmail culture, which has made many small businesses give in to charges because it is cheaper to do so than to fight them. Will this proposal not simply open that up again?

Mr. McFadden: Elsewhere in the Bill we are strengthening the role of ACAS in dispute resolution, as is right. We have also committed to increase funding to ACAS in order that it may fulfil this role. That is the right thing to do, because if we can resolve more disputes before they reach a tribunal, that is in the interests of all concerned.

New clause 1 also proposes that tribunals be required to order the reinstatement or re-engagement of people sacked under these provisions. Under the new clause, the tribunal would not have a judgment to make about the suitability of reinstatement. This is a delicate area, because automatic reinstatement may not be suitable in all cases. As we know, tribunals can order reinstatement in some circumstances. I appreciate the intent behind the comments made by my hon. Friend the Member for Hayes and Harlington, but there is at least a question to be answered about why unfair dismissal on the grounds covered in his new clause should be treated differently from unfair dismissal on the grounds of discrimination or disability.

New clause 1 is based on the premise, which the Government do not share, that the law governing these matters is grossly unfair to one party. There will always be debate about the balance in these situations, but we believe that, through the reforms that I have cited, we have put in place a fair and balanced system of protection for those taking industrial action.

Mr. McCartney: An important aspect lies in ensuring that a tribunal has the capacity to take a decision other than reinstatement. There are occasions when between being dismissed unfairly and a tribunal decision the worker seeks and gains employment somewhere else. If it is simply a matter of reinstatement, they will lose the opportunity to be compensated for the loss of their job and for being dismissed unfairly. It is crucial that the options should include reinstatement, but, where that is not in the worker's interests, an alternative to reinstatement should be forced on an employer, if necessary, by the tribunal.

Mr. McFadden: My right hon. Friend makes a strong point about discretion for tribunals in this situation and about why automatic reinstatement may not always be the wisest action.

The essence of new clause 2 is to enlist the support of the employer to ensure that the trade union can fulfil its legal obligations regarding industrial action ballots. Representations have been made to the Government about the information required in the balloting process and so on. The question I pose is whether the right answer is to impose this new duty on the employer, in effect, to aid the trade union in organising industrial action. Again, my hon. Friend the Member for Hayes and Harlington may view this is a minor tidying amendment, but I am not sure whether that is how it would be seen.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): The Minister will be aware that there are 274,000 companies in the construction industry and that an amalgam of companies work on many of the larger sites. Many of the employees are falsely self-employed, so it becomes terrifically difficult to organise any kind of industrial action in a way that will engage everyone who is working and who has the right to strike. A provision of this nature would cover those circumstances.

Mr. McFadden: As I said, representations have been made to us about the difficulty that the law imposes on trade unions' organising industrial action. There is a rationale behind that difficulty, because we want disputes to be properly organised and for there to be a ballot where people can express their views in private and make a free choice. In response to those representations, is the right thing to do, as the new clause proposes, to place an onus on the employer to aid the union in organising the industrial action?

John McDonnell: I shall try to be as constructive as I can. Does that mean that the Government have set in motion some form of review of the balloting procedure? Is there a timetable for them to come back with reforms and recommendations?

Mr. McFadden: My hon. Friend is over-interpreting what I am saying; I am saying that we have received representations about this matter, but I am not indicating what he suggested. He says that the employer should assist the trade unions because the obligations on them are too onerous and small slips by a union can result in legal action against it, the granting of injunctions and so on. The new duty on the employer that he proposes would relieve what he sees as an excessive burden on the union. Again, I hope that he would acknowledge that we took steps in the 1999 and 2004 Acts to clarify industrial action law. About a dozen measures were taken to unravel some of the complexity in that area. For example, new section 232B of the 1992 Act permits the court to disregard small accidental failures by the trade union to comply with key aspects of the law on industrial action ballots—so some flexibility has been provided.

Andrew Miller: Surely my hon. Friend realises that cases cited in this debate provide examples of when judges have not used that flexibility, but instead interpreted the rules in a way that suits employers.

Mr. McFadden: Some of those cases have been quoted to me, but I am not sure that new clause 2 would answer those concerns.

Ian Stewart: My hon. Friend is correct to say that the Government have introduced legislation in the interests of working people and employers. I am not a lawyer, but the crux of the matter—this is what exercises me greatly—is that there is a difference between the approach to law in a criminal court, which is there to see justice done, and that of an industrial court, which is there to see the word of the law carried out. Industrial courts are very much colder and deal with much more specific situations. No matter what the member for the Fire Brigades Union, the hon. Member for Hemel Hempstead (Mike Penning), says, it is almost impossible for organisations as big as trade unions to be word perfect and on the dot.

Mr. McFadden: I appreciate my hon. Friend's point, but I disagree that it is almost impossible. Ballots are organised, and official and legal industrial actions do take place.

Andrew Miller: Before my hon. Friend took that intervention, I think that he was about to say that he was not sure whether the new clause would do the trick and solve the problem of the trade union cases brought to his attention. Does he recognise that those cases are matters for concern and that the Government should address and solve the problem that they pose?

Mr. McFadden: I do not want to put myself in the position of judges in such cases, but, if my hon. Friend will bear with me, I shall touch on one of those examples in a moment.

The changes that we have made make it clear that trade unions are not expected to hold perfect information about their members whom they intend to balloot. The information supplied in the notices

"must be as accurate as is reasonably practicable in the light of the information in the possession of the union at the time".

The presumption is not, therefore, that the union must access information available to others. To comply with the law, it will not need information held by the employer that it will not necessarily possess.

My hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller) asked about some of the cases quoted, one of which concerned a recent dispute involving bus drivers—I, too, have received representations about that. I am always cautious when commenting on particular cases, because I do not pretend to know all the facts, but my understanding of that case is that the issue in dispute—pardon the pun—was the timeliness of the information, rather than the accuracy of the ballot result.

John McDonnell: That was my point: 36 hours elapsed between the receipt by the general secretary of the ballot result, which was overwhelmingly in favour of the dispute, and the application of the union's internal democratic procedure, including consideration by the general secretary, the executive and the regions—in Unite, the regions are quite important. During those 36 hours, the union was injuncted because the employer was not informed in time. I do not believe that anyone would consider it reasonable for the court to make such a decision.

6.45 pm

Mr. McFadden: The new clause deals with something different: the employer helping the union organise the ballot. The question has been raised about whether unions should know who and where their members are. We have encouraged unions to keep better records—in fact, we made funding available for it through the union modernisation fund—because we think that that is in the interests not only of trade unions, but of society as a whole.

Ian Stewart: I accept totally what my hon. Friend says about the union modernisation fund and the attempt to modernise unions—something similar should have been put in place for employer organisations. Nevertheless, does my hon. Friend accept that it is almost impossible for organisations with 7 million members to be perfect? If that is true of trade unions, it must also be true of organisations such as the National Trust, which has 1 million members. Why are trade unions treated differently?

Mr. McFadden: Twice my hon. Friend has said that it is almost impossible, but I disagree. Unions manage to organise legal industrial action ballots.

Mr. Dismore: My hon. Friend says that unions organise legal ballots, but most employers do not challenge the ballots in the courts. As a lawyer who practised in this area, I can tell hon. Members that were I acting for the employer, there would be very few ballots with which I could not find something wrong to present to the court.

Mr. McFadden: These debates are always enriched by union lawyers who have practised in this area, and I take all their points seriously.

I am happy to maintain a dialogue with trade unions, as with anyone, about how the law operates, but I am not convinced that a duty on employers to help trade unions organise ballots is the right way forward, so I am afraid that I cannot agree with new clause 2.

Mr. McCartney: Employers, such as the Post Office, rightly have the opportunity to write to their employees about why they should not strike. If that happens, it means that the employer has decided what position the work force is likely to take in the ballot. That must mean that it has the information available to enable it to write to its work force. Employers and trade unions should have access to a common list of people with whom to communicate. Increasingly, employers, such as the Royal Mail, that take unions to court will have already written to employees—legitimately—asking them not to take part in a dispute. On that basis, a way forward might be found, if my hon. Friend will look at it.

Mr. McFadden: I respect what my right hon. Friend says; he has significant experience in such matters. As I said, the Government are not convinced that the right way forward is to require the employer to help the union to organise the ballot.

Tony Lloyd: I listened carefully to what my hon. Friend said about new clause 2 and the ills put before him. I think that he has accepted that there is the capacity for some ills to arise in this area of the law and,

[Tony Lloyd]

in particular, that the law should not allow an employer artificially to frustrate the democratic will of trade union members where the union is only the servant of that will. Will he undertake to consider what remedies could be made available to deal, for example, with the Metrobus situation, in which it is quite clear that the employer used an injunction to stop a strike that the employees thought was valid?

Mr. McFadden: A couple of my hon. Friends have tempted me to give undertakings, but I am afraid that I cannot do that this evening. As I said, however, we are always happy to have a dialogue about such issues.

Let me turn briefly to new clause 3, which seeks to strengthen the Conduct of Employment Agencies and Employment Businesses Regulations 2003 in respect of the supply of workers. The approach behind the conduct regulations is to seek to reflect the interests of work-seekers, employment agencies and employment businesses, and the companies that use their services—*[Interruption.]* Regulation 7—*[Interruption.]*

Mr. Deputy Speaker: Order. Conversations are breaking out throughout the House. The House must listen to the Minister who is addressing it.

Mr. McFadden: Regulation 7 already contains provisions prohibiting employment businesses from supplying temporary workers to replace workers who are taking part in a strike or other form of industrial action. The same regulation prevents employment businesses from supplying temporary workers to do the work of other workers who have been transferred by the business to do the work normally done by individuals taking action. New clause 3 seeks to add to that provision by placing similar prohibitions on businesses that seek to hire agency workers and by requiring those businesses to inform the employment business of any strike or other industrial action when seeking to hire workers wholly or partly as a result of that industrial action.

Representations have been made to me and to the Department about compliance with that provision. Although the employment business is liable to be prosecuted for any unlawful supply of agency workers, the allegation is made that non-compliance could be at the behest of the business hiring the agency workers. In addition, there might be circumstances where the agency is not aware whether the workers it supplies are working in an area that is affected by industrial action. That is the representation that is sometimes made. I know that we have been given examples, but we have received few reports that the existing provisions have not proved effective.

There have been a number of investigations by the employment agency standards inspectorate into complaints about breaches of the provision and, in the vast majority of cases, the inspectors have not found evidence of non-compliance. Indeed, there is evidence that agencies take their responsibilities under the provision very seriously, frequently warning their client companies that they cannot supply workers to replace those taking strike action. The new clause would also require businesses to inform the employment business of such action when seeking to hire workers, but unions often inform the employment businesses that industrial action is taking place in order to ensure that the employment business cannot claim to have no knowledge of it.

Finally, I point out to my hon. Friend the Member for Hayes and Harlington that other provisions in the Bill strengthen the enforcement of the conduct regulations. It is important to take account of them when judging the debate.

Clause 15 enables the more serious breaches of employment agency legislation to be prosecuted in the Crown court, where the maximum penalty would be an unlimited fine. Therefore, the consequences for employment businesses of breaching the conduct regulations could be a lot more serious in future.

Rob Marris: Does my hon. Friend—and neighbour—accept that the UK is currently in breach of some parts of international labour standards conventions, to which this country is a signatory? We have ratified those conventions. If my hon. Friend accepts that, by what date will our country be in compliance with those conventions?

Mr. McFadden: I thank my hon. Friend—and neighbour—for his intervention. His interventions are always helpful. I remind him that, as far as I am aware, we have not been censured by the International Labour Organisation on this issue, and that is an eloquent statement on this matter.

The other provision to which I want to draw the House's attention is clause 16, which strengthens the investigatory powers of the employment agency standards inspectorate, for example by enabling inspectors to remove documents from the agency's premises. Those provisions will enable inspectors to obtain more readily the relevant records of numbers of agency workers supplied during industrial disputes, and thus enhance inspectors' ability to investigate such complaints. In conclusion—

Kate Hoey: Will my hon. Friend give way?

Mr. McFadden: I have given way to everybody else, so I will give way to my hon. Friend.

Kate Hoey: My hon. Friend mentioned the strengthening measures in clause 15, which would mean that people could go to the Crown court. Given the example that my hon. Friend the Member for Hayes and Harlington (John McDonnell) gave about Royal Mail, does the Minister expect anybody from Royal Mail to end up in the Crown court?

Mr. McFadden: That is not a decision for me. That would be how the law applied if somebody took up a complaint that was thought to be strong enough to merit that.

In conclusion, I am aware of some of the representations that have been made. We are always happy to look into these things, but I am afraid that I cannot accept the new clauses. My hon. Friend the Member for Hayes and Harlington has said that he wants to press one of them to a vote, but I am afraid that I shall have to ask colleagues to oppose it.

John McDonnell: I shall be brief, because there is much important business that we need to reach tonight. I am disappointed by the complete absence of movement on any of these issues—even after the intervention of my hon. Friend the Member for Manchester, Central (Tony Lloyd). I was expecting a form of words that would enable us to move forward.

On the first issue of unfair dismissal and detriment during an industrial dispute, some of us might live in different worlds, but in my constituency and across the country people have been sacked unfairly on a number of occasions. They do not feel that they have the appropriate protections. My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) made a point about international law and ILO conventions, and yes, we are in breach of them. We have consistently been in breach of them. Various international reports, which I listed earlier, have emphasised that point. We no longer have the standards of industrial and trade union rights in this country that apply across the rest of Europe. I was simply seeking to ensure that there would at least be a power for reinstatement. My right hon. Friend the Member for Makerfield (Mr. McCartney) raised the issue of reinstatement and said that in some instances that would be detrimental to the individual. Under new clause 1, that would have happened only if the complainant wished to be reinstated. It offered flexibility, so that there would be the right to secure one's job again.

I am also disappointed that there has been no movement on balloting. I acknowledged that the Government have taken steps on two occasions, in 1999 and 2004. We have cited example after example to show that in practice those steps have not enabled the democratic wishes of trade unionists undertaking a ballot to enable action to take place on the majority vote. The flexibility that we thought that we secured when I supported the Government in 1999 and 2004 is not being applied by the courts. We have given example after example of that.

An example was given that involved the buses. It is not just about employers having a duty to provide information in ballots. New clause 2 would place a duty on the employer "reasonably to co-operate generally" with a trade union while it engages in balloting action to test the wishes of its members. I do not believe that we have had an acceptable answer that demonstrates that the Government would even consider a timetable for addressing the practical problems that trade unions experience in this country.

We gave example after example of what agency workers have done to undermine industrial relations in this country. Let me give an example from my constituency. Before a dispute even took place, the employer, Gate Gourmet, went out and recruited agency workers and then herded my constituents into a shed and gave them three minutes to decide whether they would accept reduced wages and conditions. If they decided not to do so, they were replaced by agency workers. We are seeking to prevent such undermining. It does not just affect those individuals who are in dispute, but sours the industrial relations climate of this country.

We are appealing for some movement from the Government. The Minister said that he had received representations, but I was hoping that the Government would consider them seriously and that, after consultation, they would come forward with proposals to tackle the concrete problems of industrial relations and trade union rights in this country. I bitterly regret that they have not done so.

On that basis, and to save time this evening, I shall be happy to withdraw new clause 1. However, I wish to press new clause 2 on balloting procedures to a Division.

I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 2

EMPLOYER'S DUTIES IN RELATION TO INDUSTRIAL ACTION BALLOTS

"The following section is inserted after section 226C of the Trade Union and Labour Relations (Consolidation) Act 1992—

"226D Employer's duties in relation to industrial action ballots

(1) It is the duty of an employer reasonably to co-operate generally, in connection with a ballot conducted or proposed for the purposes of section 226, with the trade union (or unions) and the person appointed to conduct the ballot.

(2) Without prejudice to the generality of subsection (1), it is the duty of an employer to supply to a trade union in good time information reasonably requested by the trade union for the purposes of establishing the names, addresses, categories and workplaces of those members whom it wishes to ballot for the purposes of section 226.".'.—*[John McDonnell.]*

Brought up, and read the First time.

Question put, That the clause be read a Second time:—

The House proceeded to a Division.

Mr. Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 53, Noes 408.

Division No. 309] **[7 pm**

AYES

Burden, Richard
Campbell, Mr. Ronnie
Clapham, Mr. Michael
Clark, Ms Katy
Cook, Frank
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cummings, John
Davies, Mr. Dai
Drew, Mr. David
Etherington, Bill
Fisher, Mark
Flynn, Paul
Galloway, Mr. George
Gerrard, Mr. Neil
Gibson, Dr. Ian
Godsiff, Mr. Roger
Havard, Mr. Dai
Hoey, Kate
Holmes, Paul
Iddon, Dr. Brian
Illsley, Mr. Eric
Jackson, Glenda
Jenkins, Mr. Brian
Jones, Lynne
Leech, Mr. John
Llwyd, Mr. Elfyn
Mackinlay, Andrew
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
McCafferty, Chris
McDonnell, John
Meacher, rh Mr. Michael
Miller, Andrew
Mitchell, Mr. Austin
Naysmith, Dr. Doug
Palmer, Dr. Nick
Pelling, Mr. Andrew
Price, Adam
Prosser, Gwyn
Riordan, Mrs. Linda
Sheridan, Jim
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Stewart, Ian
Taylor, Dr. Richard
Truswell, Mr. Paul
Wareing, Mr. Robert N.
Williams, Hywel
Winnick, Mr. David
Wright, Mr. Anthony

Tellers for the Ayes:
Mr. Andrew Dismore and David Taylor

NOES

Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amess, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Bacon, Mr. Richard
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Baldry, Tony

Balls, rh Ed
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Bell, Sir Stuart
Bellingham, Mr. Henry
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Butterfill, Sir John
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Cawsey, Mr. Ian
Chapman, Ben
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Coaker, Mr. Vernon
Coffey, Ann
Conway, Derek
Cooper, Rosie
Cooper, rh Yvette
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Philip
Davies, Mr. Quentin
Davis, rh David
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Djanogly, Mr. Jonathan
Dobbin, Jim
Donohoe, Mr. Brian H.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Dowd, Jim
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Engel, Natascha
Ennis, Jeff
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Farron, Tim
Field, Mr. Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Gilroy, Linda
Goodman, Helen
[illegible]man, Mr. Paul
[illegible]will, Mr. Robert
[illegible]y, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Griffith, Nia
Griffiths, Nigel
Gummer, rh Mr. John
Gwynne, Andrew
Hague, rh Mr. William
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harman, rh Ms Harriet
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Healey, John
Heathcoat-Amory, rh Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Heppell, Mr. John
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Holloway, Mr. Adam
Hoon, rh Mr. Geoffrey
Hope, Phil
Horam, Mr. John
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hunter, Mark
Hurd, Mr. Nick
Hutton, rh Mr. John
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeble, Ms Sally
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Knight, Jim
Kumar, Dr. Ashok
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lammy, Mr. David
Lansley, Mr. Andrew
Laws, Mr. David
Laxton, Mr. Bob
Lepper, David
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Mactaggart, Fiona
Mahmood, Mr. Khalid
Main, Anne
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Martlew, Mr. Eric
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meale, Mr. Alan
Mercer, Patrick
Michael, rh Alun
Miliband, rh Edward
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morley, rh Mr. Elliot
Moss, Mr. Malcolm
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, Mr. Mike
O'Brien, Mr. Stephen
Oliver, Mr. Bill
Opik, Lembit
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr. James
Paterson, Mr. Owen
Pearson, Ian
Penning, Mike
Pickles, Mr. Eric
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prisk, Mr. Mark

Pritchard, Mark
Pugh, Dr. John
Purnell, rh James
Rammell, Bill
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, Mr. Alan
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Shepherd, Mr. Richard
Simmonds, Mark
Simon, Mr. Siôn
Simpson, Mr. Keith
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soames, Mr. Nicholas
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Stoate, Dr. Howard
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr. Graham
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Taylor, Ms Dari
Taylor, Mr. Ian
Taylor, Matthew
Thurso, John
Timpson, Mr. Edward
Touhig, rh Mr. Don
Trickett, Jon
Turner, Mr. Andrew
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Viggers, Sir Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waltho, Lynda
Ward, Claire
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mark Tami and
Steve McCabe

Question accordingly negatived.

New Clause 4

TIME OFF FOR WORKPLACE ENVIRONMENTAL REPRESENTATIVES

'(1) The Employment Act 2002 (c.22) is amended as follows—

(2) After section 43 there is inserted—

"43A Workplace Environmental Representatives

(1) An employer shall permit an employee of his who is—

(a) a member of an independent trade union recognised by the employer, and

(b) a workplace environmental representative of the trade union, to take reasonable time off during his working hours for any of the following purposes.

(2) The purposes are—

(a) carrying out any of the following activities—

(i) promoting environmentally sustainable workplace initiatives and practices,

(ii) carrying out environmental audits,

(iii) being consulted on workplace environmental policies, practices and management systems,

(iv) carrying out environmental risk assessments,

(b) consulting the employer about carrying out any such activities,

(c) preparing for any of the things mentioned in paragraphs (a) and (b).

(3) Subsection (1) only applies if—

(a) the trade union has given the employer notice in writing that the employee is a workplace environmental representative of the trade union, and

(b) the training condition is met in relation to him.

(4) The training condition is met if—

(a) the employee has undergone sufficient training to enable him to carry on the activities mentioned in subsection (2), and the trade union has given the employer notice in writing of that fact,

(b) the trade union has in the last six months given the employer notice in writing that the employee will be undergoing such training, or

(c) within six months of the trade union giving the employer notice in writing that the employee will be undergoing such training, the employee has done so, and the trade union has given the employer notice of that fact.

(5) Only one notice under subsection (4)(b) may be given in respect of any one employee.

(6) References in subsection (4) to sufficient training to carry out the activities mentioned in subsection (2) are to training that is sufficient for those purposes having regard to any relevant provision of a Code of Practice issued by ACAS or the Secretary of State.

(7) If an employer is required to permit an employee to take time off under subsection (1), he shall also permit the employee to take time off during his working hours for the following purposes—

(a) undergoing training which is relevant to his functions as a workplace environmental representative, and

(b) where the trade union has in the last six months given the employer notice under subsection (4)(b) in relation to the employee, undergoing such training as is mentioned in subsection (4)(a).

(8) The amount of time off which an employee is to be permitted to take under this section and the purposes for which, the occasions on which and any conditions subject to which time off may be so taken are those that are reasonable in all the circumstances having regard to any relevant provision of a Code of Practice issued by ACAS or the Secretary of State.

(9) An employee may present a complaint to an employment tribunal that his employer has failed to permit him to take time off as required by this section.

(10) References in subsection (2) to environmental audits and environmental risk assessments are to environmental audits and environmental risk assessments that are sufficient for those purposes having regard to any relevant provision of a Code of Practice issued by ACAS or the Secretary of State.

(11) In subsection (2)(a), the reference to qualifying members of the trade union is to members of the trade union—

(a) who are employees of the employer of a description in respect of which the union is recognised by the employer, and

(b) in relation to whom it is the function of the workplace environmental representative to act as such.

(12) For the purposes of this section, a person is a workplace environmental representative of a trade union if he is appointed or elected as such in accordance with its rules."".—*[John McDonnell.]*

Brought up, and read the First time.

John McDonnell: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following: new clause 6—*Right not to be excluded or expelled from union: repeal*—

'In the Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52) sections 174 to 177 (which make provision about the right to membership of trade union) are repealed.'.

Amendment No. 3, page 17, line 7, leave out clause 19.

Amendment No. 10, in clause 19, page 18, line 15, at end add—

'(4) In section 177 (interpretation and other supplementary provision), after subsection (2) there is inserted—

"(2A) For the purposes of section 174 an individual will only be considered to be a member of a political party if for the 12 months prior to the date of an individual's application for membership of the trade union or at any point thereafter that individual is registered with the political party as a member."'.

Amendment No. 11, page 18, line 15, clause 19, at end add—

'(4) In section 177 (interpretation and other supplementary provision), after subsection (2) there is inserted—

"(2A) For the purposes of section 174 a group will be considered to be a political party only where it has been registered with the Electoral Commission under the Political Parties, Elections and Referendums Act 2000 (c. 41) or any foreign equivalent, and the party at the time of the individual's application for membership of the trade union remains on such a register."'.

Amendment No. 2, in schedule, page 21, line 21, at end add—

'PART 6

REPEALS RELATING TO SECTION (Right not to be excluded or expelled from union: repeal)

Short Title and chapter	Extent of repeal
Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52)	Sections 174 to 177.'.

John McDonnell: I shall briefly speak on new clause 4. I am conscious of the time; there is important business to discuss, as I said earlier. The new clause seeks to provide—*[Interruption.]*

Mr. Deputy Speaker: Order. Would hon. Members who are not planning to listen or take part in the debate please leave the Chamber quietly and let us get on with it?

John McDonnell: First, I pay tribute to the Public and Commercial Services Union. The new clause had its genesis in a conference of PCS environmental representatives last year. They discussed the role that they could play in tackling climate change, and the significant role of workplace representatives. The new clause therefore seeks to provide the right in law to time off work for trade union representatives who serve as environmental representatives. It would ensure reasonable time off to promote environmentally sustainable practices at work, carry out environmental audits, consult on environmental policies and carry out environmental risk assessments. It would also allow time off for training for environmental workplace representatives.

The law currently entitles trade union representatives to reasonable time off to fulfil trade union responsibilities regarding industrial relations and health and safety matters. That is covered by the ACAS code of practice on time off for trade union duties and activities. Trade unions are working in partnership with employers to play a greater role, particularly with regard to raising awareness of environmental issues, and to develop company policies on green workplace initiatives and practices. I give the example of PCS, which has a range of environmental representatives working in various Government Departments. Those representatives are increasingly active in developing policies to tackle climate change, prevent carbon emissions and improve the environmental standards in their workplaces. They have also established a national green forum.

Why is the issue important? Half of carbon emissions are work related. Businesses and other organisations therefore have a critical role to play in reducing emissions. Staff at all levels need to be involved. The collective action of employees, working with employers, can lead to changes in policy and individual behaviour. To date, many employers have been slow to implement carbon reduction policies and wider environmental measures. Policy statements may well have been produced, but they have not yet been translated into practical action. The Labour Research Department found that one in nine employers had comprehensive measures on energy efficiency in place. More than half did not provide any training on environmental issues, and fewer than a quarter had environmental management plans in place.

Trade unions are now developing their role to work with employers to ensure that they develop environmentally sustainable policies and practices within individual companies and organisations, and green—environmental—representatives from trade unions can play an important role in constructing and developing a practical agenda for implementation in the workplace. Staff are willing to get involved. A recent survey demonstrated their willingness to take action to reduce greenhouse gas emissions, and their feeling that employers are not doing enough and employees need more support from employers to develop those policies. In the House, two early-day motions on that issue have been tabled over the past two years, and the last one received the support of more than 102 Members.

We have ministerial support, too, for the unique role that trade unions can play. The Under-Secretary of State for Energy and Climate Change, my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock), said:

"Trade Unions have a unique and valuable role to play in raising awareness and mobilising people to help us address the challenge of climate change... And I want to congratulate those Union Environmental Reps who have demonstrated how negotiating skills and experience can be used to support environmental outcomes".

The Secretary of State for Environment, Food and Rural Affairs, who was formerly responsible for such environmental matters, said that he had seen

"at first hand the valuable role that union reps are playing... What is clear is that bottom-up union and employee led action can really make a difference."

And, he said that he hoped that we could

"use these pilots to demonstrate to employers the benefits of working in partnership in this area."

Employers themselves have welcomed the development of worker partnership on environmental policies. Mark Gregory, the resources director at Legal & General, made a specific commitment on employee partnership, saying:

"One of the most difficult areas in implementing any programme is engaging employees: without the active support of the union across the Group we would find this much harder to achieve."

Similarly, we have examples from VCA, the vehicle certification agency, and a range of other employment organisations that value the role of environmental reps working within their organisation to tackle and develop environmental policies.

The TUC, and individual unions such as Connect, the National Union of Teachers, the National Union of Rail, Maritime and Transport Workers and the Public and Commercial Services Union, have all invested resources in training members to gain the expertise to contribute to tackling carbon emissions in this way. The Climate Change Bill, which we debated last month, set challenging targets on carbon emissions—an 80 per cent. cut by 2050. We all know how difficult that will be to reach, so we all need to fulfil our responsibilities and pull together.

The new clause would recognise the enthusiasm among the work force for tackling that challenge. Trade unions are eager to play their role, and the new clause would enable their representatives to have the resources and facilities to do so actively and in full. The Government need to recognise that—not dampen the enthusiasm of those who have become involved in such work through the trade unions—and respond constructively. On that basis, I urge the Government to consider the new clause for inclusion if not in this legislation, then in some subsequent Bill. It would enable people to use trade union facilities to develop their role as environmental representatives and to achieve environmental sustainability.

Mr. Djanogly: Looking at new clause 4, I wonder whether its promoters actually understand the meaning of work. The hon. Member for Hayes and Harlington (John McDonnell) seems to suggest that trade union members should be given special treatment, and that, where they take on more responsibilities, they should make excuses not to do their normal work in order to fulfil them. We find that unacceptable. Moreover, I received a letter dated 28 October 2008 from a Chris Baugh, the assistant general-secretary of PCS, in which he said that PCS had tabled an amendment to the Bill. I must say that I did not know that unions could table amendments in this place. Would the hon. Gentleman, who, presumably, is the PCS mouthpiece for this purpose, care to enlighten the House on the process that one must go through to become a workplace environmental rep?

John McDonnell: Can we just take one step back to respond to that statement? I outlined how a trade union was acting constructively to tackle an agenda that the whole House has supported, namely climate change, and preparing for consideration by Members an amendment that we might wish to promote to ensure that the union was able to do so. I am the chair of the parliamentary PCS group, which is an all-party group. We promote the union's views with which we obviously agree, and we consult unions. A number of Members from all parts of the House are members of various trade union groups, as I am, and, on an all-party basis, they listen to the views of the unions and, if they agree with them, bring them before the House. I thought that we should encourage organisations outside the House to engage constructively in the development of legislation. On that basis, I promote the new clause.

Mr. Djanogly: I appreciate the hon. Gentleman's clarification of the position regarding the letter, but it is still pretty unsatisfactory to hear that unions are talking about suggesting amendments to legislation in this place.

Mr. Graham Stuart (Beverley and Holderness) (Con): On that point, my hon. Friend knows that more than 90 per cent. of the funding of the modern Labour party comes from unions, so it is perhaps not surprising that they think they own those representatives who sit in this place.

Mr. Djanogly: Yes. Perhaps the payroll has become so big that they now think they can—[*Interruption.*]

John McDonnell: On a point of order, Mr. Deputy Speaker. I think that allegations are being made that may relate to me personally. The allegation is that I have promoted a new clause on the basis of some financial link-up between the Labour party and PCS. That trade union is not affiliated to the Labour party, and the PCS parliamentary group is an all-party group.

Mr. Deputy Speaker: Order. Perhaps the House could moderate its language a little. I am sure that the remarks were not directed directly at the hon. Gentleman. These really are not matters for the Chair; they are matters for debate.

Mr. Djanogly: Thank you, Mr. Deputy Speaker. We will return to the new clause.

Ian Stewart: Will the hon. Gentleman give way?

Mr. Djanogly: If the hon. Gentleman will allow me, I shall make some little progress.

We need to look at whether appointments to the position would be handed down from the trade union headquarters, or whether members would be encouraged to volunteer. If it was the latter, which I suspect it would be, would trade unions advertise the fact that the role would be in addition to an employee's usual duties, or would they promote the idea that the employer would be so pleased to have the employee acting as the union's green policeman that he or she would be given time off?

Ian Stewart: The hon. Gentleman has demonstrated his lack of understanding of the real world and, in particular, of industrial relations—once more. Does he not accept that plenty of voluntary organisations send suggested amendments to Bills to the Conservative party as well as to other parties? And, does he not accept that enshrined in law, now, is an arrangement whereby health and safety representatives are allowed reasonable time off to carry out their duties? What is the difference?

Mr. Djanogly: I shall come to the difference in my later comments.

[Mr. Djanogly]

There are several problems with the new clause. First, every business should be involved with environmentally sound practices, but we fail to see why employees who have trade union membership should have time off work for environmental issues when their colleagues at the next workstation simply have to get on with their work. Secondly, we do not appreciate the way in which the new clause attempts to unionise environmental issues in the workplace. "Workplace environmental reps" smacks of Orwellian, Big Brother tactics by unions. By bringing the issue within their remit, they seem to be attempting to secure preferential treatment for their members and, at the same time, to give their union a point of leverage over the business. Finally, we fail to see why the actions in proposed new section 43A(2) to the Employment Act 2002 would be better carried out by a trade union than by a company. If the proposal is for the workplace environmental rep to be there to oversee the company's own efforts, the new clause needs redrafting.

Alan Simpson (Nottingham, South) (Lab): The Conservative party gave its support to the Climate Change Bill, which spelt out that the direction of change would specifically include the setting of annual carbon budgets, and that at some stage they would have to be translated into sectoral and company targets, so will the hon. Gentleman be kind enough to explain to the House the role that Conservative Members expect trade unions in a workplace to play in constructing the carbon budgets that the company seeks to introduce?

Mr. Djanogly: I am sure that trade unions can make constructive comments and talk with management and other third parties about how they think the workplace should be improved environmentally; that does not mean that we should legislate for time off.

I received a letter from the PCS in the run-up to today's debate. It saw the role of the workplace environmental rep as

"ensuring that employers meet their carbon reduction targets, raising awareness of green issues in the workplace and ensuring that environmental issues are included in the bargaining agenda".

I am still somewhat confused: what will the reps do that a company should not be doing anyway to bring itself in line with the Climate Change Bill? In these times of economic uncertainty, we must be careful in respect of the fundamental necessities. Continued employment, economic growth, financial stability and so on are all factors that must line up alongside the environment when we strike the balance. We support responsible, environmentally sound business practice, but we also support business efficiency and businesses' freedom of choice on how best to reach their overall environmental targets. That is why we oppose the new clause.

I turn to clause 19, which deals with trade unions' right to exclude people because they are members of certain political parties.

7.30 pm

Mr. Deputy Speaker: Order. I am not sure that we are dealing with clause 19 at the moment.

Mr. Djanogly: Mr. Deputy Speaker, may I come back in at a later stage of the debate?

Tony Lloyd: I do not mean to be unkind, but I can help the hon. Member for Huntingdon (Mr. Djanogly). I think he was referring to new clause 6, which stands in my name and those of other hon. Members.

A principle lies behind the new clause and the associated amendments, and in their original formulation of the Bill the Government seemed to accept it. It is that there is a reality not only to the concept of freedom of association, but to that of the freedom not to associate. That concept is accepted by the Royal Society for the Prevention of Cruelty to Animals, which some years back expelled members with a pro-hunting agenda who had infiltrated it. It is also accepted by Churches; it would be inconceivable for people to be able to join a Church if they did not subscribe to its views. Furthermore, the concept is accepted by all political parties; mine has certainly sought to expel those whose aims are incompatible with its own. In that context, it is right and proper that the concepts of freedom of association and freedom not to associate should be exercisable by our trade unions.

The British National party is very much the subject of the new clause and amendments. The party itself makes it clear in its own articles of association that it will not accept certain people as members. For example, it does not accept the ethnically Asian or those who are of African or Caribbean origin. The BNP itself accepts that the freedom not to associate is legitimate. I would not normally ever pray the BNP in aid, but it is worth recognising that although it prohibits certain people from membership, it does not respect that principle in the context of the trade union movement.

In a BNP members' bulletin, a party representative wrote that any BNP member who was not a union member should join one, and that:

"Those looking to be thrown out of a trade union and then getting a big five figure payout should make it known to the local union lefty that they are members and may be standing as candidates for the BNP."

It later warned:

"You haven't got long to get on this particular gravy train".

The BNP is clear that it wants to infiltrate the trade union movement, not for the sake of membership of a democratic organisation whose objectives are the advancement of its members, but to subvert the union—as Nick Griffin, the BNP leader, said on the radio this very day—or to use it as a cash cow to finance BNP activities, or possibly those of its members.

Mike Penning: We have to be very careful. The hon. Gentleman is talking specifically about the BNP, but this is a catch-all new clause. Perhaps a party that we have not even heard of now will want to start an environmental campaign; under this new clause, it could easily be excluded. The BNP is abhorrent and horrid, but we are discussing a catch-all new clause that could catch any other political party in future.

Tony Lloyd: I shall not come to that point immediately, but if the hon. Gentleman bears with me I shall certainly address it towards the end of my remarks, because it is important.

Those who know the background to the judgment that has led to the Bill will regard what I am about to say as a little long-winded. However, it is important to

place on record the fact that the background to this whole situation is a decision by the European Court of Human Rights, which is controversial among some Conservative Members, although not among Labour ones. The Court sat in judgment on a case between ASLEF and Jay Lee, a BNP member who was expelled from the union.

Industrial tribunals in the United Kingdom had held that the union had behaved unlawfully in expelling Mr. Lee. The Court, however, stated that:

"it is uncontroversial that religious bodies and political parties can generally regulate their membership to include only those who share their beliefs and ideals. Similarly, the right to join a union 'for the protection of his interests' cannot be interpreted as conferring a general right to join the union of one's choice irrespective of the rules of the union: in the exercise of their rights under Article 11 § 1 unions must remain free to decide, in accordance with union rules, questions concerning admission to and expulsion from the union".

The Court made a clear decision that ASLEF's action was legitimate. To return to the point made by the hon. Member for Hemel Hempstead (Mike Penning), I should emphasise that the Court said that unions must remain free to decide in accordance with union rules; that is an important conditioner of union behaviour and of what the law means. The Court's decision was unequivocal. It went on to say that any restriction on a union's right to expel should be proportionate.

Let me concede at this point that the Government's intentions have been proper: to make domestic law consistent with the judgment of the ECHR. Nothing lies between the Minister and other Labour Members—and, I hope, others across the House—in wanting that ambition to be achieved. As I said, when it made its first progress in the House of Lords, the Bill had a form of words that would have been acceptable to all parties, certainly to the Government and Labour Members. At that point the Government view was, rightly, that the combination of existing statute, union rule books, unions' legal obligation to conform to their rule books, and the capacity of the certification officer to rule on what the unions did, provided adequate protection against arbitrary or unfair expulsion or a refusal to accept for membership not BNP members but Conservative trade unionists, perhaps, or those from certain religious backgrounds.

There is already protection against such arbitrariness in the law, save where it is clear in the rule book that that expulsion can take place in a way that is consistent with that rule book. I would say to the hon. Member for Hemel Hempstead that under the clause as it stands, or under the amendment, the capacity of the union to change its rules to expel a member of the Labour party, for example, still exists. Under any of these formulations, it would be possible for a union to expel a member for political or other reasons as long as that was consistent with the rules.

However, it is almost inconceivable that that would take place in a society such as ours. There is no evidence that any member of the Conservative party has ever been expelled by any trade union—the Fire Brigades Union or any other—or that people have been expelled from trade unions for being members of the Labour party. That is because the values of the Conservative party, even though I do not share them, are consistent with the objectives of British trade unions—as are, clearly, the values of the Labour party. There is no inconsistency there; the inconsistency comes with a party that is avowedly fascist and does not share the ambitions of the trade unions for equality among their members—those who are black or Asian, as well as those who are not black or Asian or are from any other minority ethnic community but share the anti-racist values of those unions.

The problem with the amendments that the Government accepted in the House of Lords is that they have moved the agenda on to give too much protection to the individual who feels disgruntled by this process at the expense of the rights of the collective. In particular, these changes ignore the general principle of the right of any organisation—political party, charity or trade union—to freedom of association or freedom not to associate. The interests of an individual fascist who does not want to be a member of the same union as black, Jewish or Asian colleagues are put ahead of the rights of those black, Jewish or Asian colleagues not to want to be a member of a trade union with a fascist involved. That is an important freedom that is being eroded.

Mike Penning: The problem is that picking on a specific party—I do not want to give it too much oxygen—does not prevent someone who is openly fascist from being a member of a trade union. The danger lies in picking on a political party rather than an individual. As I understand it, this is not about the BNP but about abhorrent views of individuals. That is where the provisions should be much tighter.

Tony Lloyd: I am not sure whether the hon. Gentleman is disagreeing with me, but perhaps that is because I did not properly understand what he was saying.

Let me go back to the expulsion of Jay Lee. The question now arises whether the way in which he was expelled by ASLEF would be consistent with the law as it will be under the Bill as drafted. Jay Lee was a member of the BNP—there is no ambiguity about that. ASLEF's rule book says that

"no person shall be admitted into membership of ASLEF if by choice they are members of, supporters of, or sympathisers with, organisations which are diametrically opposed to the objects of the union, such as a fascist organisation".

That focuses more on racism than on naming the BNP, and there are good reasons for not naming the BNP. ASLEF's rules clearly state that membership of ASLEF is incompatible with being a member of a fascist organisation. Jay Lee undoubtedly was such a person, and ASLEF resolved at its conference to expel him. That was consistent with its rule book, and the European Court held that it was a legitimate and legal thing for it to do.

7.45 pm

It is arguable under the Bill as it stands that because the union rule book does not mention the BNP by name, it would not be possible to have expelled Jay Lee from ASLEF. I think that the hon. Member for Hemel Hempstead was with me in saying that we should be considering fascists, not just members of the BNP. In that case, he may find himself, surprisingly, on the same side as me in hoping that the Government will move on this. It is likely that the situation involving Jay Lee would still be found under domestic law to be outside the law, even though the European Court has clearly

determined that it is within the terms of the European convention on human rights and therefore European law. There is a potential contradiction between the Bill and our existing law, which is of course guided by the European convention.

Clause 19(2) states:

"Conduct which consists in an individual's being or having been a member of a political party is not conduct falling within subsection (4A) if membership of that political party is contrary to—

(a) a rule of the trade union, or

(b) an objective of the trade union;"

It also says that such conduct is allowable only if membership of a named political party is in the union's rule book or objectives. The problem is that it is not beyond the realms of credibility for a political party, the BNP or any other, continually to go through the game of changing its name—to BNP 08, BNP 09, the NBP, the PNB, whatever it may be—so as to always be one step ahead of any union rule book. Almost inevitably, the ability to change a union's rule book is not an instantaneous process. This is not Adam Smith's invisible hand—it has to take place at certain moments. I therefore fear that the fascist party can always be one step ahead of the union.

Mr. McFadden: I am reluctant to intervene on my hon. Friend, because I am conscious that I am going to get my chance to speak later, but he is making an important point. It is not the Government's view that the clause requires the union to name the political party in its rule book. The clause says that this is about

"Conduct which consists in an individual's being or having been a member of a political party"

if that membership is contrary to the rules and objectives of the union. It is the membership of the political party that would be contrary to the rules and objectives of the union. That does not mean that the party has to be named, but there is a contrast between membership of that party and the general ideological position as set out by the union in its rules and objectives.

Tony Lloyd: I am grateful to my hon. Friend. I know that part of the difference between us is how this is interpreted. I am not concerned about whether he says that that is his intention but about whether the words in the Bill will be interpreted in that way by a tribunal or a court. *[Interruption.]* I can hear my hon. Friend the Member for Hendon (Mr. Dismore) muttering from a sedentary position. I will give way to him in a few moments if he wishes.

A considerable and serious body of legal opinion has considered this and said that what the Minister has set out will not be how the Bill is interpreted and that there is ambiguity in its wording.

Mr. Graham Stuart: I am grateful to the hon. Gentleman for giving way, and he is making a persuasive argument, but I put it to him that for many—including me, I suppose—the impact of communism was just as evil and damaging as that of fascism. I ask him to beware of the way in which this power might be used. It might be perfectly possible for a union in right-of-centre hands to proscribe membership of the Communist party, or any other party that is considered extreme at the time. I also put it to the hon. Gentleman that, unlike a church or a club, trade unionism is directly linked to someone's employment and means of making a living. It is in a different category, and I ask him to reconsider.

Tony Lloyd: Let me answer that simply. I do not think that what the hon. Gentleman refers to is different from a political party. Hopefully, our great political parties have a great material impact on the people of this country, and I would not want to allow the suggestion to run abroad that being a member of a political party is trivial, or membership of a Church for that matter. The Royal Society for the Prevention of Cruelty to Animals, which has specific ambitions, expelled some members whose expulsion was held to be legal because it was consistent with what that organisation sought to do.

Mr. Dismore: I would like to back up the point of my hon. Friend the Minister. I do not see any reading of clause 19 that supports the idea that a political party would have to be named in the union's rules. To support what the Minister said, clause 19 says that conduct has to be contrary to a rule or an objective, not a rule and an objective, so it catches rather more than the Minister suggested.

Tony Lloyd: Yes, except for the fact that, as my hon. Friend knows, some good legal opinion says, "We do not know what an objective means." It is not well defined in the Bill or more generally. We know what the rule book is, but to talk about the objectives of the union is to talk about an amorphous concept. With great respect to my hon. Friend, I know that he has far more legal experience than I have, but he does not have more legal experience than all the lawyers I have spoken to. He and other lawyers disagree, which does not mean to say that he is wrong, but he and my hon. Friend the Minister have to reflect on the fact that if lawyers are disagreeing at this point, the Bill is not good law. That is the issue we have to address.

Mr. Djanogly: Is not the more fundamental problem that there is no definition of what a political party is? It does not have to be a political party at all; it could be a lobbying organisation.

Tony Lloyd: It could indeed be a lobbying organisation if, as in the case of ASLEF, it is a membership organisation that is fascist. That touches on what we are seeking to achieve. The ASLEF rulebook was consistent with its ambition to drive racists out of the union because they are incompatible with the rest of its members. It is important that it can so proscribe, which is why we do not want to build into the Bill the need to name the BNP or whatever. There is obviously a dispute between us as to whether that is necessary.

Mr. McCartney: Sometimes in the trade union movement we are in danger, if we are not careful, of taking an opinion from a lawyer and placing it against another lawyer's opinion while failing to have an opinion ourselves. What we have here is a victory plus, if my hon. Friend does not mind me saying so. The big thing about the fascist movement is that it will always split—the National Front, the BNP and so on. Someone else will come along. The issue is whether the judgment gives the capacity for trade unions to establish principles in law and practice to defend themselves against infiltration by

organisations or individuals representing organisations. The fact of the matter is that it will. If we had listened to all the lawyers in 1999, we would never have passed the legislation that some people have been arguing about tonight.

Tony Lloyd: My right hon. Friend knows that he and I have great mutual respect, admiration and all the rest of it, but that does not mean to say that he is right in this case. *[Interruption.]* Neither he nor I is a lawyer, so we have a big advantage. It is precisely because lawyers clashed on the matter in the first place that we ended up with the ASLEF decision going to the industrial tribunal. The tribunal made its decision, but it was overturned at the European court, and that was not because lawyers disagreed over some academic legal exercise. Sometimes, lawyers disagree about the most profound issues that affect real people's lives. That is what we are talking about.

If the Bill were definitely a plus plus, I would happily be on the same side as my hon. Friend the Minister and my right hon. Friend the Member for Makerfield (Mr. McCartney). The problem is that there is a real concern that the law is not workable, which is the real difficulty. If it is not workable, and it does not allow a trade union to exercise what the House wants it to exercise, we are not writing good law. It is the duty of this House not to quibble about what lawyers say—I agree with my right hon. Friend on that—but to quibble about what the law will do in practice. That is the issue before us.

Mr. Djanogly: Does the hon. Gentleman not agree that not having a definition of a political party will lead to a lawyers' feast? For instance, Militant Tendency was not a political party—it was a newspaper. Does he think that should be captured?

Tony Lloyd: That is not relevant in this case.

Mr. Graham Stuart: Why not?

Tony Lloyd: With great respect, these are interesting debating points, but they are not serious debating points. As I said to the hon. Member for Hemel Hempstead, if we are determined to capture fascist organisations— *[Interruption.]* I think that the hon. Member for Huntingdon may have given it away, because he said he is not in favour of capturing fascist organisations. That is the difference. Those in my party want unions to have the capacity to expel members of the BNP—people who are racist and fascist—from their membership.

Mr. Djanogly *rose—*

Tony Lloyd: I hope that the hon. Gentleman will clarify the Conservative party's position.

Mr. Djanogly: I am simply going to qualify the hon. Gentleman's remark on what he thinks I believe, which is not at all correct. We simply say that the clause will catch all organisations: fascist, communist or Greenpeace. Even Conservatives and Liberal Democrats could be banned under the clause.

Mr. McCartney: It is plus plus then.

Tony Lloyd: I do not think that I shall comment on the point of my right hon. Friend the Member for Makerfield, except to acknowledge it, which means it will now appear in the *Official Report*.

Under the Bill, or my new clause, it would always be possible for the rules to be drawn up to exclude people in a way that most of us would regard as unfair—that is right. But it would require an open debate in our society, of the kind we are having today, about the exclusion of fascists, and about whether it is right and proper to exclude members of the Labour party, the Conservative party, Christian Scientists or whatever. I must say this, however: no trade union has ever gone down that road. Neither the hon. Member for Huntingdon nor any of his friends can give me an example of where trade unions have sought to expel someone for being a member of the Conservative party, the Liberal Democrats or any other mainstream political party. This is a very specific situation. We must not prevent the House from giving trade unions the proper capacity to do what they ought to on behalf of their members by raising the bogus spectre of unions abusing a power they have never sought, or sought to abuse.

Rob Marris: May I kindly suggest that my hon. Friend should not get too bogged down in what the Opposition are saying because they do not seem to be aware of his position? His amendment No. 3 would remove clause 19 from the Bill. I say to the Opposition that my hon. Friend is not seeking to defend the wording in clause 19 in any way; he is seeking to remove it. If they had bothered to read the Order Paper, which the hon. Member for Huntingdon (Mr. Djanogly) clearly had not—he would not have got lost otherwise—they would realise what my hon. Friend's position is.

Tony Lloyd: I think that the hon. Member for Huntingdon wants to make another speech—if he is able to catch your eye, Mr. Deputy Speaker—so perhaps when he does, he might want to clarify the Conservative party's position. It seems that he is arguing not only against clause 19, but the amendments and anything that would give powers to trade unions to expel members of the BNP. That is the important distinction. Those in my party, including the Minister and me, want the same objective, which is to give trade unions the proper capacity to expel.

Mr. Djanogly: Will the hon. Gentleman give way?

Tony Lloyd: The hon. Gentleman will make his own speech.

Mr. Djanogly: No, I am not going to.

Tony Lloyd: How interesting. In that case, I shall give way to my hon. Friend the Member for Bassetlaw (John Mann) first.

John Mann (Bassetlaw) (Lab): The Government do not seem to understand that the critical principle is not about membership of a political party but about active racism and fascism. The case that the Attorney-General recently prosecuted provided a good example of the sort of person whom unions would not want as a member. A fascist was prosecuted for the first time in this country for uploading a neo-Nazi website from America that would have been banned in this country.

[John Mann]

Is not that precisely the sort of person whom unions should have the right, in principle, to exclude from membership?

8 pm

Tony Lloyd: I agree, and stress that the Government share that objective. We are not disputing objectives, but I am not sure what those of the Conservative party are.

Mr. Djanogly: The hon. Gentleman said that we opposed clause 19—that is not the case. The Conservative party appreciates and respects the finding of the European Court of Human Rights. Indeed, the clause that we are discussing is a compromise provision that Liberal Democrats and Conservatives in the other place proposed. Our opinion is that it still needs refining.

Tony Lloyd: We are at one about that, but I do not know whether the hon. Gentleman's definition of refinement and mine are the same.

There are serious doubts about whether the Bill as it stands achieves what we all support—compatibility with the European Court's decision, and unions' ability to expel fascists from their organisation. However, the serious concerns apply not only to the measure's overall structure but more narrowly to the belt and braces of the clause. As I said to my hon. Friend the Member for Hendon, there is a genuine question about what "objectives" mean and how the word is interpreted. He shakes his head, and he may want to comment further when he makes a speech, but the point has been made by reputable members of his profession. Although I accept the injunction of my right hon. Friend the Member for Makerfield not to take seriously questions between lawyers, it is important that we know what we are talking about when considering clause 19.

There are concerns about the Bill's rigidity and inflexibility, especially the provision to protect those who are excluded—not expelled—from joining, which would not apply to any other organisation. The European Court of Human Rights did not ask for a would-be member of a union who was turned down because of membership of a fascist organisation to be given a hearing about the reason for the refusal. That is unlike anything that would happen in other organisations. If the Conservative party decided not to accept someone, it would not hold a hearing to determine whether that was right and proper.

Clause 19 also uses the words, "exceptional hardship". We know what exceptional hardship means for someone who loses a job—that concept is clearly understood. However, exceptional hardship for being refused membership of a union is not well defined. We do not know how a court would define it. That creates ambiguity for any union that tries to use clause 19, yet we have been told that the provision is straightforward. Will the ambiguity mean that unions would not use the provision, and therefore not have the power that we want to give them? If they used the provision, would they risk being taken before a tribunal?

Why does the Bill use the same terms as those that relate specifically to somebody losing a job? Under existing law, which the Government introduced, it is illegal for an employer to sack somebody for non-membership of a trade union. We got rid of the closed shop many years ago in 1992. The reason for such protection is therefore not obvious.

I also wish to ask about the amount of compensation. The sum of £6,900 for someone who manages to find a technical fault in the process whereby a union excludes or expels is a heavy penalty for the union, and brings us back to the British nationalists' advice to their members: "If you're not a member of a union, then join." Those who look to be thrown out to get a big five-figure pay-out should make it known to the local union that they are BNP members. The BNP clearly perceives such legislation as a cash cow that can fund the party.

Ian Stewart: I agree with my hon. Friend, but does he know that the average award to employees who have successfully claimed unfair dismissal is much lower? The last I heard, compensation averaged £3,000. Why should there be a difference?

Tony Lloyd: My question is, why should there be compensation at all in the case that we are considering? However, as my hon. Friend says, why is it out of line with other forms of compensation?

If new clause 6 were adopted instead of the current provisions, it would grant the flexibility that the hon. Member for Hemel Hempstead seeks. It would provide for a much more general process that was consistent with the union rule book. The union rule book could—as the ASLEF rule book did—specify that

"no person shall be admitted into membership... if... they are members of, supporters of, or sympathisers with organisations which are diametrically opposed to objects of the union, such as a fascist organisation".

That is clear, albeit general, and covers the problem of rotating party membership. It would grant genuine protection to those who sought it against arbitrary and unfair expulsion or exclusion because of membership of other parties—the Labour party, the Conservative party and so on. The union would be restricted by the rule book and by statute, which would insist on proper reference to the due procedures of a trade union. There are also the principles of natural justice and the role of the certification officer, who has stronger powers in a trade union than the equivalent in a private company. I therefore believe that, for example, the Conservative trade unionist and the Labour trade unionist are protected. The new clause is specifically about unions invoking their rule book to get rid of or not accept those who are avowedly fascist. We should all share that ambition.

I therefore recommend that my hon. Friend the Minister revert to the law before it was changed, as set out in new clause 6. If he cannot accept the new clause, he must demonstrate how the genuine doubts that have been raised about the workability of clause 19 can be properly addressed. We cannot find that we have not moved matters on—that would be a victory not only for those who want to amend the measure in the wrong way, but for the BNP and its supporters.

Lorely Burt: I welcome new clause 4, which the hon. Member for Hayes and Harlington (John McDonnell) tabled. The idea of workplace environmental representatives constitutes reasonable and balanced policy, which is in line with our party's ethos on environmental sustainability, health and safety and the importance of corporate social responsibility. I note that the hon. Gentleman

tabled a related amendment to the Climate Change Bill, which was not picked up. However, my party is very happy to support his new clause.

New clause 6 would repeal outright those provisions in the Trade Union and Labour Relations (Consolidation) Act 1992 that provide for individuals employed in industries that require union members not to be unreasonably excluded or expelled from any trade union. I have a great deal of sympathy for the comments that the hon. Member for Manchester, Central (Tony Lloyd) made, but the proposal ignores the European Court of Human Rights judgment in ASLEF *v.* the UK, to which he referred at some length. I will not go into that, but noble Lords from all parties in the other place worked hard to construct the current law, including the noble Lord Morris, so unfortunately we are not in a position to support new clause 6.

Clause 19 may not be perfect, but the best brains from all parties in the Lords worked hard to draft amendments that were acceptable. Therefore, we cannot support amendment No. 3.

Amendment No. 10 calls for an individual's membership of a political party to become relevant only if it fell within the 12 months prior to their application for membership of a trade union. I can completely understand the reasoning behind the amendment. If someone became a member of an unacceptable party such as the BNP when they were 15 and then wished to join a trade union at 40, it seems unfair that they should be penalised.

However, there is another side to the argument. A trade union should have the right to expel whomever it feels it wants to expel. Imposing conditions such as those in amendments Nos. 10 and 11 would amount to the Government telling trade unions whom they could and could not have as members. If the Government starting telling political parties whom they could and could not have as members, they would not countenance such interference.

Mike Penning: But political parties can decide to exclude someone. If someone brought our party into disrepute, they could be excluded, including for something that they had done before joining. I am sure that the same is true for the Labour party, although I do not know about the Liberals.

Lorely Burt: I am not sure that I get the hon. Gentleman's drift. My point is that any party or trade union should have the right to expel whomever it feels should be expelled. Of course there need to be safeguards, however, and that is completely understood.

The principle behind amendment No. 11 is the same. The trade unions should be allowed to exclude whomever they please. If we are talking about a new party that is not yet registered or a party that is changing its name in order to get round the rules, it should still be possible for trade unions to exclude whomever they feel it appropriate to exclude, without being placed in a straitjacket. It is up to trade unions to decide, just as it is up to political parties to decide.

8.15 pm

Mr. Dismore: I rise to speak primarily to new clause 6, but I also want to say a few words about new clause 4, to which I am a signatory, in order to respond to the rather weird tirade that we heard from the Conservative Front Bench on the issue.

Delivering the green agenda in the workplace can be done only in co-operation with the work force and the unions, even if it just means persuading people to turn the light bulbs off when they go home. To suggest that the activities set out in proposed new section 43A(2) to the Employment Act 2002, such as consulting on the workplace environment, should not be done in the firm's time, given that the environmental reps will have to negotiate with the employer about the issue, is frankly ludicrous. I therefore support new clause 4.

My real reason for speaking is to address new clause 6 and the ASLEF judgment. The Joint Committee on Human Rights, which I chair, a little while ago published a scrutiny report on the issue—our 17th report of the Session. I apologise to the House that the report was not tagged on to today's debate, which it perhaps ought to have been, because it deals at length with the ASLEF judgment and its implications. When the ASLEF case went through the European Court of Human Rights, the Government rightly accepted the need to amend the law in the light of that Strasbourg judgment. They consulted on two options, the first of which was effectively the option proposed by my hon. Friend the Member for Manchester, Central (Tony Lloyd) and the second of which was not quite the option in clause 19. That was the right thing to do.

When we scrutinised the issue in our Committee, my view was very much along the lines of my hon. Friend's view. Having practised in that area of law and written a number of union rule books, I thought that the existing safeguards were adequate. The historic safeguard is the fact that the union rulebook is a contract with the membership that is subject to enforcement through contractual law and natural justice, and more latterly through the certification officer process. We discussed the issue at some length, having the benefit of advice from our legal adviser and the opportunity to look at some of the other debates. I came to the conclusion that we simply could not rely on the traditional safeguards.

The first point is about the possible impact on other political parties. The debate has focused on the BNP, but the risk is that the provisions could go beyond. We have heard a pretty anti-union tirade from the Conservative party tonight, which has reverted to type. It has been said that the Conservative party is not against the objectives and rules of most unions, but the way that it is going, one could easily see it slipping into being against such things, given its anti-union attitude.

In the 1950s, communists were expelled from unions wholesale, and particularly from the electricians union. So this has happened before, but to the left, not the right. That is why we have to be very careful about proceeding on such a basis. The Communist party might be a fringe party now, rather than the industrial power that it was in the 1950s, but the Socialist Workers party, for example, is very active in some trade unions and organises in those unions on a political level. We have heard, too, about other campaigners being affected. For example, animal rights campaigners might set up a party to campaign in unions involved in scientific industries, which could cause significant difficulties.

[Mr. Dismore]

We need to consider what the ASLEF judgment said. It said what my hon. Friend the Member for Manchester, Central has already described, but it also said that

"the State must nonetheless protect the individual against any abuse of a dominant position by trade unions"

and then set out the need for appropriate safeguards. It is interesting that when we discussed the issue in my Committee, Lord Morris, the former general secretary of the Transport and General Workers Union, an influential trade unionist in his time and a man with immense experience of trade unions, was concerned about the lack of additional safeguards. I should also pray in aid Lord Wedderburn of Charlton, my old law professor from decades ago and probably the doyenne of trade union law, who also expressed his concerns in debates in the House of Lords about the lack of additional safeguards. As a result, my Committee proposed an amendment. A member of my Committee from the Liberal Democrat Benches, Lord Lester, also proposed his own amendment, which Lord Wedderburn thought was rather good, because it was as narrow as we could get, while also concomitant with the need for appropriate safeguards.

The problem with the proposal of my hon. Friend the Member for Manchester, Central is that, while it might rectify some of the incompatibilities, it does not deal with the need for appropriate safeguards. For example, none of the existing safeguards—the contractual rulebook safeguard and the certification officer safeguard—is available to deal with a person who is excluded from trade union membership in the first place, as opposed to having been expelled. Such a person cannot go to the certification officer, and they cannot go to court for a breach of the union rules.

I hope that we will pay attention to the issue of human rights in these circumstances. Sometimes, human rights can be a little inconvenient for us on the left, as well. There is clearly a positive obligation under human rights law to provide safeguards against abuse, and that is why my Committee proposed an amendment. My problem is that clause 19, as it stands, goes rather further than that amendment. My hon. Friend has made some quite trenchant criticisms of certain aspects of clause 19. I disagree with his point about the rules and objectives of the unions. Having written union rule books, I think it is pretty clear that most of them have clear objectives at the start of the rules, and that the rules are clear. They normally deal with the process, rather than the politics.

The part of clause 19 that states

" if it is not reasonably practicable for the objective"

of the union—

"to be ascertained"

contains some rather woolly wording that we do not actually need. Also, the part that deals with the process issues contains rather more detail than is necessary.

Ideally, the Bill should not have started out in the House of Lords. We should have started it off in the Commons, and it could then have gone backwards and forwards. My main concern is that we are now caught between a rock and a hard place—that is, between my hon. Friend's new clause, which I do not think is human-rights compliant, and clause 19, which probably is human-rights compliant from the safeguards point of view, but which might go a little too far from the ASLEF judgment point of view. Neither option before us is ideal.

My real concern is for the Bill as a whole. If we were to agree to my hon. Friend's new clause, we would inevitably end up engaging in ping-pong with the House of Lords, and the House of Lords has made it pretty clear that it is not going to go down the route suggested by my hon. Friend. We would therefore run the risk of losing all the good stuff in the Bill as well. On balance, therefore, my view is that we should leave clause 19—imperfect though it is—in the Bill.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): What the hon. Gentleman says is fair, but we on the Committee recognised that this was going to be a question of compromise. We have not got the exact wording that we wanted, but it is fair to say that, although it is not perfect, clause 19 is much closer to what we wanted. We were unanimous on this—Conservatives, Liberal Democrats, peers, Labour Members, commoners and, indeed, the Cross Benchers. This is a complex issue, and the wording in the Bill is never going to suit everyone, but it is the best possible wording that we could get.

Mr. Dismore: I am not sure that it is the best possible wording that we could get, but, in practical terms, the risk involved in not accepting clause 19 as it stands is greater than the problems that would follow if we were to go down the route proposed by my hon. Friend the Member for Manchester, Central in his new clause. Clause 19 is probably closer to the perspective of human rights, and the interpretation of the decision of the European Court of Human Rights in the ASLEF judgment, than my hon. Friend's new clause.

Tony Lloyd: My hon. Friend has mentioned problems that would arise from the new clause with respect to members of other political parties. Which part of clause 19 would prevent a union from introducing into its rule book a provision that being a member of, say, the Labour party was incompatible with union membership?

Mr. Dismore: There is a catch-all provision in proposed new subsection (4G) relating to circumstances in which

"the decision to exclude or expel is taken unfairly",

and the subsequent hardship provisions provide additional safeguards, which my hon. Friend's new clause would not do. The additional safeguards in clause 19 are the kind of safeguards that the Joint Committee on Human Rights report talked about, and that the ASLEF judgment hinted at. On balance, I think that we have to leave clause 19 in place—imperfect though it is—rather than adopting my hon. Friend's new clause, even though he and I wish to obtain the same objective in the end.

Mr. Crabb: I should like to speak to amendments Nos. 10 and 11, tabled in the name of my hon. Friend the Member for Huntingdon (Mr. Djanogly). By way of background, clause 19 gives trade unions the right to exclude or expel individuals on the basis of their membership of a political party, subject to several safeguards, which are set out in the relevant subsections. This was debated at some length in Committee, and numerous hon. Members participated in that part of the Committee proceedings, recognising the fundamental

importance of the rights that were being debated. We recognised the potential conflict between two fundamental civil liberties: the right to freedom of association and an individual's right to a political belief, unhindered by arbitrary interference by public authorities.

The bar on trade unions excluding or expelling individuals from membership is set out in section 174 of the Trade Union and Labour Relations (Consolidation) Act 1992. That section was itself introduced as an amendment by section 14 of the Trade Union Reform and Employment Rights Act 1993. The section was subsequently amended again in considerable detail by the Employment Relations Act 2004. Those changes made it clear that it was lawful for trade unions to exclude or expel individuals on the ground of their political party activities—that is, their conduct. In Committee, we agreed with the right of unions to end membership on the ground of conduct, but not on the ground of belief. So, despite the best efforts of this House and of the other place, when passing that legislation to balance the competing rights of the individual and the trade unions, the European Court of Human Rights—in its decision on ASLEF v the United Kingdom—felt that we had not struck the right balance.

We have been discussing new clause 6 and amendment No. 3, tabled in the name of the hon. Member for Manchester, Central (Tony Lloyd). We believe that their combined effect would be to take us back to the pre-1992 position. We would have to disregard the decision in the ASLEF case, and to forget about the need even for a human rights dimension, in allowing trade unions to expel or exclude members at will. These proposals run contrary to the Conservative view of employee-employer relations. On one level, however, their effect would be to force the Government to reassess this whole area, and perhaps that is what hon. Members truly wish to legislate for.

Attractive as that proposal might be, however, it is unfortunately unworkable. Our real concern with these amendments is that they would once again make quasi-legislation out of trade union rule books. In the past decade, we have moved away from that towards what must be the correct position: the rule book acting as a contract between the trade union and the employee. If we now seek to return to the old ways, we should force the courts into interpreting trade union rule books just as they interpret statute in employment proceedings. That would not only set the employment relations process back 10 or 15 years; it will also place the courts in a very difficult position and open the floodgates for further litigation.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): Will the hon. Gentleman give way?

Mr. Crabb: I will not give way.

Too many advances have been made since 1992 for us to return to that position. We therefore oppose those amendments.

We accept the legal authority of the decision of the European Court of Human Rights in the ASLEF case, but we would like to put on record our deep unease with it. To our mind, it marks a further erosion of personal civil liberties by an organisation whose remit is supposedly to protect them. Here we have a court of human rights reining in the freedoms of an individual.

Amendment No. 10 seeks to place a limit on how far back a trade union is entitled to look into a member's past to find reasons to exclude or expel that person. I accept that this is a question of balancing interests, proportionately and in a common-sense fashion. We recognise that, with time, people change, that their views change and their actions are adapted. As we pointed out in Committee, membership of the Campaign for Nuclear Disarmament as a student in the '60s should not automatically allow a 50-year-old to be expelled from a trade union that represents workers in the nuclear industry—

Mr. Donohoe *rose—*

Mr. Crabb: I am not giving way.

In Committee, the hon. Member for Broxtowe (Dr. Palmer) was kind enough to give us a practical example, when he said:

> "I was a communist when I was young, although I was not a party member. I was quite open about it. I can imagine a situation in which that could be used against me professionally".—[*Official Report, Employment Public Bill Committee*, 16 October 2008; c. 79.]

We agree with his concern. The Bill's provisions seem at odds with a person's human rights, so our amendment would address that wrong by saying that party membership must have been within the 12 months prior to an individual's application for trade union membership. On the advice of a number of hon. Members in Committee, we have also tightened the drafting to include future party membership. We hope that that will satisfy other concerns that had been expressed. It seems unfair to us that the union's right to expel should last for ever. Amendment No. 10 would deal with that concern and I give notice of my intention to press it to a Division.

Amendment No. 11 also addresses our ongoing concerns about the definition of what constitutes a political party, because, as things stand, there is no definition in the Bill, so we believe we are in real danger of enacting a clause that has a far more damaging effect than it should have. We need to ask at what point a person's associations become more indicative of their beliefs than their individual conduct or characteristics. Several members of the Committee noted that although they were members of one of the main political parties, they did not necessarily agree with the entirety of their party's views. We know that political parties are broad churches, but I fear that we are danger of tarring all with the same brush.

8.30 pm

The choice to become a member of a political party is an active choice and a definite action, but it might be inspired by any number of reasons. I wonder how many new Labour party members who joined around 1997 in the heyday of Mr. Blair now find themselves in a very different party, as we have seen this evening, putting forward 1970s-style trade union legislation. Clause 19 is a recipe for disaster.

I agree with those hon. Members who believe that we should be worried about the British National party, but we may be missing the wood for the trees. We reminded members of the Committee that the right hon. Member for Holborn and St. Pancras (Frank Dobson) supported original legislation to protect communists and their

fellow travellers from being hounded out of the unions, so although we can talk about countering the BNP, we must not think that legislation is the only means of doing so. It is not, and many other organisations could be caught in that legislative net.

Given the position in which we find ourselves, we need carefully to regulate who will be caught, which is why we suggest limiting expulsion rights to registered members of political parties. We accept that the proposal has flaws—personally, I have real sympathy with some of the ideas expressed in Committee, especially on extreme political groups such as Combat 18 or the Militant Tendency, which would fall outside my definition of a political party—but we have to understand that we are debating this on the back of the ASLEF decision. Since 1993, as the Minister rightly noted in Committee, the unions have had the power to expel or exclude an individual on the basis of their conduct. The clause deals expressly with political party membership—the very issue at stake in the ASLEF case.

When we fall within the wide parameters of democracy, the spectrum of beliefs is very broad and the question becomes where we draw the line and who draws it. We must be careful not to allow the Bill to creep into areas that it is not designed to cover. The ASLEF decision dealt only with expulsion or exclusion on the basis of political party membership, not on the basis of conduct or association with a group. We must ensure that we draw the line at a reasonable place, and I believe that our amendment does just that. If we do not say that the provisions should apply to registered members of political parties, to whom will they apply—people who wear Nazi insignia or Che Guevara T-shirts or who are known to associate with extremists? I fear that we may end up with trade union witch hunts in which members who show even the slightest diversion from the party line find themselves out on their ear.

As with much of the Bill, we are being forced to accept the lesser of two evils. For us, certainty is preferable. One thing is for sure: as things stand, clause 19 is inviting court cases to decide what constitutes a political party—and many extreme groups have shown themselves only too happy to go to court over such matters. The amendment will, I hope, provide less room for them to do so.

Mr. McCartney: I rise to support clause 19. My hon. Friend the Member for Dagenham (Jon Cruddas)—he has unfortunately left the Chamber for a few minutes, but has been in his place since the debate started—and I spent time in 1997 and 2007 working on an almost daily basis with Government lawyers, trade union lawyers and employers' lawyers to put right the failure of the last Conservative Government effectively to implement any European legislation relating to employment rights in the workplace. The hon. Member for Preseli Pembrokeshire (Mr. Crabb) is probably too young to remember the witch hunts of the 1970s and '80s against trade unionists sacked by their employers simply for joining a trade union. It was this Government in 1999 who put an end to that type of witch hunt, so protecting people's right to join a union and to encourage others to join it.

I speak from a non-legal standpoint, but I am not putting across an anti-lawyer argument, as over the years in my time as a trade unionist, many lawyers helped me with advice and support. Indeed, Lord Wedderburn is a hero of mine. He has spent his life not only looking at the law in intellectual terms, but trying to implement it in a practical, common-sense way.

There is no such thing as a perfect piece of legislation. We have to ensure that once enacted, it achieves the objectives in a way that maximises support for it within the community and wider society. In my view, we are righting a wrong against ASLEF and others. No one has so far congratulated ASLEF and other trade unions up and down this country on spending a lifetime opposing fascism, especially when it infiltrates their organisations. We should congratulate ASLEF on sticking to its guns and winning an important legal point.

The point that ASLEF won was not to do with its rule book per se. Instead, it related to a piece of legislation introduced by the Conservatives in 1992 which was a breach of article 11 of the European convention on human rights. A Conservative Government implemented bad legislation. On behalf of the European Court of Human Rights, we are attempting to implement a new piece of legislation to get rid of what happened in 1992 which was so damaging to ASLEF and others.

No doubt if we pass the Bill, all unions should, as a matter of course, look at the rule book to ensure that it is compatible with changes set out in clause 19 so that they can use it effectively now and in the future to protect themselves, their members and workers in the workplace against fascist activity by individuals or collective groups of individuals, whether they are in the BNP or other organisations.

Mr. Graham Stuart: A Labour Member mentioned that Communist party members were driven out of trade unions in the 1950s. Is the right hon. Gentleman comfortable with the fact that Communist party members and others could be driven out using this legislation?

Mr. McCartney: I think that the hon. Gentleman is about my age. He should have realised what was happening in the 1950s. There were witch hunts against communists, but not by trade unions or trade unionists; they were carried out by right-wing politicians here and in America, and of course blacklists were introduced by Conservative employers which lasted all the way through to 1999. This Government got rid of blacklists as well. There is a history of people being blacklisted and blackballed, but not for their political views, in the way that we are talking about the BNP and fascists, but because of their capacity and willingness to represent working-class people in the workplace against employers who did them down. If the hon. Gentleman wants to talk history, he should get it straight.

The issue is simple. Does the proposal accepted in the Lords achieve the objectives? First, does it achieve the aims set out by the Court in ASLEF v. UK? Secondly, in achieving that objective, does it give trade unions the opportunity in a practical way to take account of changing circumstances in the future, both in terms of fascist organisations and individuals in the way in which they organise and operate, or attempt to do so, in the wider community and workplace? If Lord Wedderburn says to me that that is exactly what the proposal does, with the appropriate safeguards, then I will back him on any occasion. If Bill Morris, a colleague of mine, says from his perspective as a former general secretary of a union

that has a history of shop stewards being blacklisted and undermined in the workplace, that the proposal is the most effective way forward and achieves the objectives set out when ASLEF appealed in the court, we should accept it as a victory.

I know of no piece of legislation passed in this place on employment rights or the protection of trade unions that will not come under scrutiny or challenge. The reality is that the Bill will be challenged, as the National Minimum Wage Act 1998 was challenged. We thought that the Act protected pupil barristers, but barristers went to the High Court and had the legislation overturned. We thought that that decision was wrong, and we came back to the House and amended the Act to protect workers from being undermined.

When lawyers disagree with each other, it is no reason for us to lose our nerve and not do the right thing by ASLEF and other trade unions. The Bill overwhelmingly does the right thing. We need to do what it sets out, not just because the Court told us to do so, but because ASLEF was right in the first instance in protecting itself and its members from fascist organisations and fascist individuals.

I shall support clause 19. Let us get on with the task that ASLEF set us all so many years ago. Let us organise a victory against fascism and racism in the workplace, and encourage people to join unions. Clause 19 will enable many people out there who are not union members to take comfort in the knowledge that they can join a union without being victims of abuse from fellow members who are racists.

Dr. Evan Harris: One cannot but admire the speech that we have just heard. I agree with everything that was said by the right hon. Member for Makerfield (Mr. McCartney), and I thank the Government for making this concession after hearing what was said in the House of Lords. They have a big majority in this place and they could have stuck to their guns, in which case we would probably have had ping-pong. It should be noted that they recognised the existence of an alternative way that is clearly better than their original proposal.

I want to make two points. The first concerns the Court judgment. It should be borne in mind that the Court held that the relevant provision in United Kingdom law which prohibited a trade union from expelling a member for membership of a political party failed to strike the right balance between the right of the union to freedom of association and the right of the individual to freedom of association.

We have to recognise that human rights must sometimes be accorded to people with whom we find it difficult to sympathise. That is the measure of human rights. It is very easy to grant human rights and civil liberties to people with whom we agree all the time, and whom we find pleasant and amenable. It is much harder to stretch the definition, and the test of whether we have the right human rights culture is whether we extend it—when it is reasonable to do so—to people with whom we encounter difficulties.

As is made clear in a report from the Joint Committee on Human Rights, the judgment stated:

"The UK had gone too far in its protection of the... member against measures taken against him by his union, at the expense of the right"

of members to choose. We noted:

"The ASLEF judgment unequivocally recognises that trade unions enjoy, under Article 11 ECHR, a right to freedom of association which includes the prima facie freedom to set up their own rules concerning conditions of membership. The judgment, however"—

this is why I oppose the new clause tabled by the hon. Member for Manchester, Central (Tony Lloyd)—

"is equally clear that this right of trade union autonomy is not unlimited: the Court clearly envisages a positive obligation on the State under Article 11 ECHR to protect the freedom of association of the individual against abuse of a dominant position by trade unions."

In our recommendation, we argued that safeguards were needed in addition to those in the original Bill

"to strike a 'fair balance' between, on the one hand, the Article 11 right of a trade union to control its membership and, on the other, the Article 11 rights of the individual, including the right not to be excluded or expelled from a union arbitrarily or in circumstances that would result in exceptional hardship."

Those words are taken from the judgment.

Ian Stewart: The hon. Gentleman has just explained, in terms as clear and concise as any I have heard, that no union—or, indeed, any organisation, but no union in this instance—should be allowed arbitrarily to dismiss, expel or exclude any person who wishes to join that organisation or remain a member of it. However, that is not what this provision is about. It is about circumstances in which a union has clear rules, objectives and aims encapsulated in a rule book, agreed by its members, to the effect that no individual who holds views contrary to those rules, aims and objectives should be allowed to join, or that any such individual should be excluded when the union discovers that that is the case. In this instance, we are citing fascism.

Dr. Harris: I have only a couple of minutes—

Madam Deputy Speaker (Sylvia Heal): Order. Interventions must be brief.

Dr. Harris: I apologise, Madam Deputy Speaker.

The hon. Gentleman is right, but there need to be additional safeguards beyond those that he has identified. I think that clause 19 captures them pragmatically, and in the best way possible.

I am concerned about the position of the Conservatives. Either they accept the ECHR judgment or they do not. The hon. Member for Preseli Pembrokeshire (Mr. Crabb) praised the judgment but then attacked what it led to, which is where we are now.

Mr. Djanogly: Will the hon. Gentleman give way?

Dr. Harris: I had better not.

I find it hard to decide whether the Conservatives just pick and choose their human rights. The hon. Member for Beverley and Holderness (Mr. Stuart) appeared to compare the BNP's racist ideology with communism. There is no comparison between the threat to individuals' welfare, in the workplace or outside, posed by the racist ideology of parties such as the BNP and any such threat from the ideology of communists, however much the hon. Gentleman may disagree with that. That is why although my sympathies, as a member of the British Medical Association, which is as close as I can get to being a member of a trade union in my profession, are

[Dr. Evan Harris]

entirely with the trade union movement in terms of its perspective, my sympathies and support are also with the Government on the wording of their clause.

8.45 pm

Mr. McFadden: Although I wish to concentrate on new clause 6, let me first speak briefly to new clause 4. I agree that environmental representatives are a valuable and relatively new development. Their emergence shows that unions are seeking to develop new services for their members, and trade unions have a valid and legitimate voice on this agenda. I also believe that that voice can contribute significantly to business success. My Department is producing a joint statement with the TUC and the CBI, which will focus on the benefits that lay union representatives can bring to the workplace. That statement will incorporate case study research, and we plan to publish it early next year. The issue in question is whether to place these representatives on a statutory footing. Members may not be too surprised to learn that I believe it is premature to do so, but I welcome their development, and I encourage ACAS and environmental quality representatives to work on guidance in this area.

Let me turn to new clause 6 and clause 19. Clause 19 seeks to amend section 174 of the Trade Union and Labour Relations (Consolidation) Act 1992 to bring UK law into line with the European Court of Human Rights judgment in the ASLEF *v.* UK case. That is our intention, not the introduction of wider reform of trade union law.

I would like to begin by setting out the motivations behind the clause and its intentions. As my hon. Friend the Member for Manchester, Central (Tony Lloyd) and other Members have pointed out, the case that gave rise to this clause was about a trade union that desired to expel a British National party member. Abhorrence of the BNP is widely shared in this House, and many of us, myself included, have campaigned against it and will continue to do so. This clause was debated for many hours in the other place, and it was discussed for longer than any other in Committee as well; it has, in fact, been discussed more than any other clause. That is understandable because although the case that gave rise to the clause was about the BNP, as Members have pointed out the provision in question does not mention the BNP and is a more general power to expel or exclude people from trade unions on grounds of membership of a political party. There is an important point here, because Members have raised the issue of conduct, and I want to make it clear to the House that expulsion on grounds of political conduct was already legal before the ASLEF judgment. The change the ASLEF judgment made was, as my right hon. Friend the Member for Makerfield (Mr. McCartney) has pointed out, to say that our law was incompatible with article 11 of the European convention on human rights on freedom of association, precisely because it did not have these rights of expulsion on grounds of membership of a political party.

Anne Moffat (East Lothian) (Lab): My union has the ability, on the basis of behaviour, to expel people by means of the rule book if they do not abide by the rules, but does my hon. Friend agree that, although these are two different sets of law, it is a fair and reasonable comparison to say that we can prevent people from coming into this country and expel them from the country on the grounds of religious hatred, but we cannot expel people from a trade union on the grounds of racial hatred?

Mr. McFadden: Provided that certain processes are followed and certain safeguards are kept to, the Bill will give unions the ability to expel people on grounds of membership of a political party.

Mr. David Winnick (Walsall, North) (Lab): Two hon. Members have justified clause 19, as the Minister will do. The GMB, of which I am a long-standing member, has sent us a note on various items. Its general secretary, who presumably knows what he is talking about, states:

"Clause 19... is totally inadequate."

He goes on to say that it will provide BNP members with

"more protection than any other trade unionist and unions would be financially liable for any loss of earnings a BNP member might incur".

That is why new clause 6, although I understand all its difficulties, is a better route to take to exclude the sort of people that unions want to exclude than clause 19.

Mr. McFadden: I cannot accept the verdict that my hon. Friend read out, which says that clause 19 is totally inadequate. The ECHR judgment centred on balancing individual freedoms with freedom of association as set out in article 11 and found that, against that backdrop, our law, as it stands, was not compatible with article 11. It did balance those things, because it said:

"Article 11 cannot be interpreted as imposing an obligation on associations...to admit whosoever wishes to join. Where associations are formed by people, who, espousing particular values or ideals, intend to pursue common goals, it would run counter to the very effectiveness of the freedom at stake if they had no control over their membership."

The judgment went on to say that

"democracy does not simply mean that the views of a majority must always prevail: a balance must be achieved which ensures the fair and proper treatment of minorities and avoids any abuse of a dominant position...Such abuse might occur, for example, where exclusion or expulsion from a trade union was not in accordance with union rules or where the rules were wholly unreasonable or arbitrary or where the consequences of exclusion or expulsion resulted in exceptional hardship".

It continued:

"the Court is not persuaded...that the...expulsion impinged in any significant way on Mr Lee's exercise of freedom of expression or his lawful political activities...As there was no closed shop agreement...there was no apparent prejudice suffered by the applicant in terms of his livelihood or in his conditions of employment."

Rob Marris: May I caution my hon. Friend and neighbour in interpreting that judgment and backing clause 19? Clauses 1 and 2 seek to get rid of the statutory dispute resolution procedure, which was introduced by the Employment Act 2002. When that legislation was going through Parliament—I was on the Standing Committee that considered it—many of us cautioned that it was completely unworkable, as it has proved to be. I issue the same caution to my hon. Friend tonight: clause 19 is unworkable.

Mr. McFadden: I thank my hon. Friend for his intervention, but I do not believe the clause is unworkable. If he allows me to develop the point, I will talk about the safeguards that we have built in and the proposals to which we have listened in the debate on this matter.

As has been said, when we consulted on changing the law in this regard, we canvassed two options, both of which introduced changes relating to the particular part of section 174 that deals with political party membership. When we introduced the Bill, we thought that the more deregulatory option A was the better approach to follow. As has been mentioned, in subsequent debate in the other place, when strong representations were made by Lord Morris of Handsworth and others, and in the deliberations of the Joint Committee on Human Rights, a strong case was made for more safeguards against potential abuse.

Hon. Members have cited the Joint Committee's report. It said that expulsions should be permitted if

"the decision to exclude or expel was taken in accordance with the union's rules and a fair procedure"

and

"the consequences of exclusion or expulsion would not result in exceptional hardship."

It made a reference to the union's rules not being "wholly unreasonable", but went on to say that that

"may be regarded as an invitation to litigate the reasonableness of a union's rules".

It therefore did not press that point.

Hon. Members may say that in all those representations a judgment is made about the clause as it stands. Let me lay to rest some misconceptions about the changes that we have made to the clause. It is certainly not the case that the Government are somehow refusing to legislate in line with the judgment; we believe that it is right to legislate in line with the judgment. Members can be expelled on grounds of political conduct, but we are now talking about membership of political parties. It is not the case—as has been reported, including today—that the changes will mean automatic compensation for those expelled or excluded. If trade unions act in line with the clause, compensation will not be necessary.

Lord Morris took part in the debate on the clause, as amended, and concluded:

"Three key principles have been met: Britain will be able to comply with its statutory obligations, trade unions will have freedom and democratic rights in respect of their rule books, while the ability to discipline their members has been preserved, and members' rights to natural justice will be safeguarded. On that basis…I wish the Bill well on its way."—[*Official Report, House of Lords,* 2 June 2008; Vol. 702, c. 21.]

I agree with my hon. Friend the Member for Manchester, Central that the question is not whether we legislate in line with the European convention on human rights, but how we do so. Clause 19 is compatible with the convention, especially given that we are not dealing specifically with the BNP—legislation must be applicable to all members of the public.

New clause 6 proposes a third way—if my hon. Friend will forgive me for putting it like that—on top of our two options. It would delete clause 19 and repeal section 174 and related sections of the 1992 Act. The Court did not examine section 174 more widely, but focused heavily on the particular facts of the case, which concerned the expelled member's political party membership and its compatibility with the union's rules and political orientation. I appreciate my hon. Friend's intentions, and I agree that we have a shared objective, but the Government do not think it necessary to extrapolate the Court's reasoning in the way that new clause 6 does in order to legislate in line with the judgment.

My hon. Friend asked whether ASLEF could have expelled Mr. Lee under clause 19. I repeat that clause 19 does not mean that names of political parties have to be specified in the rule book. The important question is whether a trade union can use clause 19, and the procedures built into it, to expel or exclude members. It sets out a process whereby unions can act in line with the judgment. Amendments Nos. 10 and 11 would restrict the operation of the clause too much. How is a union to check exactly how many months a person has been a member of a political party?

When the Conservative party was in government, it introduced legislation on the rights of political parties, but did not produce the definition that Conservative Members are calling for tonight. How is a union supposed to police registration systems around the world? We intend to legislate in line with the judgment in a way that trade unions can use, but we do not intend to restrict that so much that the legislation is impossible to operate in practice. For that reason, if the Opposition press their amendments, I shall ask my colleagues to resist them. On clause 19, the Government have listened and responded to points that have been made. It is the best way to operate.

Tony Lloyd: The Minister has made his case. I know that the Bill will be passed unamended tonight, because there is not the strength to do otherwise. Will he give us an absolute guarantee that he will keep the legislation under review? We share the same objectives. What is important is that the Bill is effective in achieving them.

Mr. McFadden: Of course, as with all legislation, we will monitor how the Bill operates, but we believe that this is the right way forward.

Question put and negatived.

Clause 19

EXCLUSION OR EXPULSION FROM TRADE UNION FOR MEMBERSHIP OF A POLITICAL PARTY

Amendment proposed: No. 10, page 18, line 15, at end add—

'(4) In section 177 (interpretation and other supplementary provision), after subsection (2) there is inserted—

"(2A) For the purposes of section 174 an individual will only be considered to be a member of a political party if for the 12 months prior to the date of an individual's application for membership of the trade union or at any point thereafter that individual is registered with the political party as a member."'.—*[Mr. Djanogly.]*

Question put, That the amendment be made:—

The House proceeded to a Division.

Madam Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 147, Noes 322.

Division No. 310] **[9 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Burns, Mr. Simon
Burrowes, Mr. David
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Howell, John
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lansley, Mr. Andrew
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Syms, Mr. Robert
Taylor, Mr. Ian
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Widdecombe, rh Miss Ann
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet

Harris, Dr. Evan
Havard, Mr. Dai
Healey, John
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoey, Kate
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Joneš, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McGrady, Mr. Eddie
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morley, rh Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, Mr. Alan
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Mr. Bob Blizzard and Ian Lucas

Question accordingly negatived.

Simon Hughes: On a point of order, Madam Deputy Speaker. As you know, yet again, the majority of new clauses and amendments tabled on Report by Back-Bench Government Members and Opposition Members have not been debated. Five new clauses and four amendments have been debated; eight new clauses and eight amendments have not. May I ask whether you, your co-Deputy Speakers and Mr. Speaker report to the Leader of the House on the amendments and new clauses that are not reached? The Leader of the House has assured the House that she is seeking to do something to ensure that the process is improved, but we have seen no action. May I ask that you, Madam Deputy Speaker, consider with Mr. Speaker reporting, yet again, another Bill where amendments and new clauses have not been discussed?

Madam Deputy Speaker: The occupant of the Chair is governed by the rules of the House—by the motion before the House. If the hon. Gentleman has concerns, and I understand what he has said, I suggest that he raise them with the Leader of the House. It is important that we get on with the remaining time and discuss the Third Reading of the Bill.

Order for Third Reading read.

9.19 pm

Mr. McFadden): I beg to move, That the Bill be now read the Third time.

[Mr. Pat McFadden]

The Bill covers a number of significant issues. It reforms dispute resolution at work, minimum wage legislation, employment agencies legislation and, as we have just discussed, trade union membership. It brings together elements of the Government's employment relations strategy to increase protection for vulnerable workers and reduce costs for law-abiding businesses. The Bill gives a better deal to low-paid workers and to agency workers who have been denied the national minimum wage against their rights. The Bill reflects on 10 years' experience of the national minimum wage and seeks to build on it.

Mr. McCartney *rose—*

Mr. McFadden: I pay tribute to the tremendous contribution made to the minimum wage legislation by my right hon. Friend the Member for Makerfield (Mr. McCartney), who has been present throughout the debates this evening. I am happy to give way to him.

Mr. McCartney: I thank my hon. Friend for his kindness towards me in today's debate and previous ones. Will he meet my hon. Friend the Member for North-East Derbyshire (Natascha Engel) and me to talk about the enforcement of employment tribunal awards for vulnerable workers? Will he have further discussions with me, Public Concern at Work and the CAB about the Public Interest Disclosure Act 1998 and what we need to do in relation to that?

Mr. McFadden: I will, of course, be happy to meet my right hon. Friend and my hon. Friend the Member for North-East Derbyshire (Natascha Engel), and to have those further discussions.

The Bill's provisions on dispute resolution stem from Michael Gibbons's independent review of dispute resolution in the workplace, published last year. The provisions will lighten the burden on workers and business by encouraging the resolution of more workplace disputes earlier and informally. The tribunal route provides important access to justice and it must be available. However, if we can resolve disputes sooner than we would through a tribunal, that will often be better for all concerned.

The Bill makes changes that will enable us to move away from the current, rigid legal process for resolving disputes, which, as Michael Gibbons found, has led to more claims being taken to employment tribunals than may have been necessary. We are putting in place a package that encourages employers and employees to resolve their issues earlier and informally. As I said earlier, we are expanding ACAS's role in that area and we have allocated additional funds to ACAS so that it can fulfil its expanded role. The package includes statutory changes, revision of the ACAS code on disciplinary grievance procedures, and substantial investment to improve advice to employees. We estimate that, once in force and fully operational, the measures could save business up to £170 million a year.

The Bill introduces a new enforcement framework for the national minimum wage, involving the introduction of a new civil penalty that can be levied against all non-compliant businesses. The framework also introduces a fairer method of calculating arrears. Until now, an employee who was paid less than the minimum wage over a number of years would lose out on the uprating of the minimum wage even if the arrears were restored. The Bill changes that; it makes non-payment of the minimum wage act, in effect, as an interest-free loan from the employee to the employer and introduces a fairer system of arrears by making sure that they are paid at the prevailing national minimum wage rate.

Lorely Burt: Does the Minister not regret, like me, the passing of the opportunity that the Bill offered? We could have strengthened enforcement to make sure that rogue employers paid arrears, and that ex-employees could not take redress other than through the civil courts.

Mr. McFadden: I do not believe that we have missed opportunities in this Bill. We have taken the opportunity to do two things—to strengthen the system for paying arrears to workers who are not paid the minimum wage and to strengthen the penalty regime for employers who do not pay the minimum wage.

The Bill makes offences under the National Minimum Wage Act 1998 triable in the Crown court as well as the magistrates court and strengthens the powers of Her Majesty's Revenue and Customs to investigate criminal offences. The aim of these provisions is to create a clearer deterrent to non-compliance with the minimum wage and to provide a fairer outcome for workers who have suffered a loss in real terms as a result of underpayment of the minimum wage.

Simon Hughes: There are many good things in the Bill—I do not argue with that. However, does the Minister accept that it does not change the fact that it is still not compulsory for there to be a conciliation process between employer and employee in all cases of prospective dismissal?

Mr. McFadden: We thought that it was right to give ACAS a power to offer conciliation so that it can use these increased resources in cases where it can make the greatest difference.

The Bill introduces an improved enforcement framework for employment agency standards, making offences under the Employment Agencies Act 1973 each-way offences and defining investigative powers. Combined with the minimum wage provisions, the Bill provides more effective enforcement and greater support to vulnerable agency workers. It also promotes compliance, which we should never forget is in the interests not only of vulnerable workers but of the vast majority of law-abiding, decent businesses. Among other things, the Bill makes the changes that we have discussed, and which I will not go over again, in response to the European Court judgment in ASLEF *v.* UK.

I am pleased that as we approach the end of our deliberations in this House, most major stakeholders have broadly welcomed the Bill and that the broad consensus on its elements has been reflected in most of our debates. I believe that it has been improved during its passage through both Houses, and I am grateful to hon. Members on both sides of the House who have contributed to the proceedings.

The Bill will achieve two main things: it will reduce costs and burdens for businesses and for workers in terms of dispute resolution and strengthen enforcement

of the law, particularly for low-paid and vulnerable workers. In that sense, it benefits individuals, those who represent workers, and good business. I commend the Bill to the House.

9.27 pm

Mr. Djanogly: This Government have so far introduced some 18 Acts and more than 280 statutory instruments dealing directly with employment laws and regulations, and we are now debating another one. Their continual tinkering with employee rights and employer duties has left business and individuals confused. The Bill was originally called the employment simplification Bill, so the change was fully justified given that it involves no simplification whatsoever. It is hardly surprising that if one reviews the figures for employment tribunal cases, it is clear that small businesses make up the overwhelming majority of respondents. Many small businesses are no more sophisticated than the employees claiming against them. They do not have the large human resources departments or teams of lawyers that are needed to decipher the tangled web of employment laws that the Government continue to create.

Even while the Bill has been making its way through the House, a further, under-the-table deal was done between Labour and the trade unions to tamper with the laws on agency workers in a way that could be very damaging for our already over-burdened businesses. While that is hardly surprising from a Government who are almost entirely funded by the trade unions, it has got to a point where even the ex-Secretary of State for Business, Enterprise and Regulatory Reform seems to have recognised that the Government have gone too far. Prior to his promotion, he admitted that there was a

"need to challenge the automatic assumption that the only way to deal with exploitation in the workplace is by passing new laws."

I hope for the sake of employers across the country that Lord Mandelson has read his handover brief thoroughly, not least because, given the Labour amendments tabled, it looks as if we will need to prepare for a union legislative onslaught as the TUC calls in its Warwick II promises. Just to recap: we heard proposals today to protect employees taking industrial action from dismissal; to prevent trade unions from being sued by employers suffering loss as a consequence of industrial action; to provide union members with a dual award—damages and reinstatement—where they are dismissed for striking; to shift the responsibility for ensuring ballots are properly conducted from unions to employers; to prevent businesses using so-called strike breakers; to provide special privileges not to work for so-called union workplace environmental reps; and to abolish all restrictions on trade unions' rights to expel or exclude members—

Madam Deputy Speaker: Order. May I just remind the hon. Gentleman that on Third Reading we are discussing the contents of the Bill, not what might have been in it?

Mr. Djanogly: I thank you for that guidance, Madam Deputy Speaker. With that in mind, I would now like to discuss the provisions of the Bill.

The Bill was extensively debated in another place, as well as in Committee. I put on record the thanks of all hon. Members for the work that the other place did on the Bill. It was substantially reviewed by the time it came to us. However, we have some problems with aspects of it. Mention was made of how the Government have taken us back to the position before the earlier provisions came into force. Our concerns focused on clause 3, and the changes that it would make to the employment tribunal system. The new ACAS code would remove the overly legalistic system that arose, despite the Government's assertions to the contrary, from the Employment Act 2002. The ACAS code is now principle-based, but we could be in danger of elevating procedure over substance. Tribunals have the power to vary awards based on non-compliance with procedure and we think that there could be a dichotomy. If one acts in the spirit of a principle-based code, could one never fall foul of that procedure? In Committee, we asked the Minister to give us some statistics, and to discuss the various awards that the tribunals had granted, but those were not forthcoming. There is a perception among businesses that tribunals are disproportionately inclined towards the employee, and we share some of those concerns about the Bill.

The second part of the Bill deals with the national minimum wage. We support the national minimum wage, and a continual monitoring of legislative provisions that deal with it. We also support action to ensure that workers who receive the minimum wage do not lose out in real terms when they are owed arrears as a result of underpayment. The previous law gave almost no deterrent to underpayment, so the change in the Bill is welcome.

We had various concerns about the extension of powers of Her Majesty's Revenue and Customs, and we still have those concerns. While the proposal to allow enforcement officers to remove documents under clause 10 is accepted, we do not accept that the balance in the Bill is as good as it could have been.

I urge the Minister to give maximum publicity to the changes in the implementation of the national minimum wage provisions. All employers must be given full opportunity to assess their companies and correct any failings in payment of the minimum wage before the new penalties are imposed.

We had a full debate during all stages of consideration of the Bill, including this evening, on clause 19, which relates to the European Court of Human Rights judgment on the ASLEF case. Although we believe that it was appropriate for the Government to respond to the decision of the European Court of Human Rights, we continue to have genuine concerns about clause 19 as it stands. Only time will tell, but I predict that court cases will derive from the provisions with which we have ended up.

The definitions of "membership of a political party" and of "political party" remain outstanding issues, which will lead to further court cases. The debates on the Bill's progress through both Houses show that the Government have been slightly inclined to burrow their head in the sand when faced with reasoned argument. Worse, they legislate for perceived threats or concerns, without hard evidence to back up the need for legislative intervention. That could not only be expensive in terms of taxpayers' money and the House's time, but has made for a weaker Bill than it should be.

Although we agree with the Bill's overall aims, concerns remain about its scope and implementation. Moreover, the Government have failed, once again, to address properly the concerns of business when they are mounting by the day. As it stands, the Bill will be a fitting

[Mr. Djanogly]

testament to a vacuous and empty Government, who have taken a short-term view and failed to push forward genuine change.

British business has been crying out for reform to employment laws, which are making them increasingly uncompetitive, and for protection from vexatious employee claims. Surely we could have done more than simply give unions the power to expel members for their political beliefs. To that extent, the Bill is a missed opportunity.

9.36 pm

John McDonnell: I welcome the elements of the Bill that deal with dispute resolution, and especially the provisions that cover the national minimum wage. However, I join the hon. Member for North Southwark and Bermondsey (Simon Hughes) in expressing concern about not reaching many amendments about the minimum wage.

Any Bill's implementation must be properly resourced. Her Majesty's Revenue and Customs has continuing concerns about the number of officers who are required and have been recruited so far to implement the minimum wage provisions. Earlier this year, the Minister promised us that there would be at least 20 extra officers and a 50 per cent. increase in expenditure on enforcement. I understand that those 20 officers have not been recruited so far. At best, we are up to 17, possibly 18, this week. Some—at least 10—are staff who are already in post, so there seems to be an element of double counting. I am therefore worried about whether there are adequate resources to implement the Bill.

Although the minimum wage provisions are welcome, they go nowhere far enough in some sectors of industry to address the genuine problems of low pay. I deeply regret not reaching the amendments about the minimum wage for seafarers. Let me remind hon. Members of the implications of that. On the vessel "Daroja", owned by Marlow Navigation, which sails between Aberdeen and Lerwick, a Filipino worker is paid £295 a month. On the AHTS Survarna, an Indian seaman is paid £1.63 an hour. That is not acceptable.

Mr. Speaker: Order. My father was a merchant seaman all his life and I have some sympathy with what the hon. Gentleman is saying, but it is not in the Bill. On Third Reading, we must talk about the contents of the Bill.

John McDonnell: On that basis, I simply say that the provisions are not strong enough to deal with such abuse of workers in this country, and it needs to be tackled in future legislation.

9.39 pm

Lorely Burt: Liberal Democrat Members welcome the Bill in general—it certainly improves employment law. I should like to pay a small tribute to colleagues in the other place who scrutinised it thoroughly before it came here. That has made our work a great deal lighter.

Nevertheless, at the risk of trying your patience, Mr. Speaker, I want to mention a couple of things that we have not been able to discuss, including the mariners and the loss of the opportunity not only to safeguard the minimum wage for staff in the hospitality industry, which the Conservative party proposed, but to strengthen public disclosure of whistleblowing allegations and, most importantly, to help employees to secure the implementation of awards for the national minimum wage.

I will move on to concentrate on what we have achieved in the Bill, which is a great deal. It has been described at length by the hon. Member for Huntingdon (Mr. Djanogly), so I will just mention the work that we have done on behalf of low-paid workers and agency workers and the improved dispute resolution procedures for employees and employers alike. We support clause 19, which we feel represents the best balance of freedom of association and the European Court of Human Rights requirements that could be achieved among all the parties.

Although we have had our moments, all parties have worked together to improve employment relations. We are happy to support the Bill and, to use the Minister's words in quoting the noble Lord Morris, we wish it well on its way.

9.41 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I, too, am in some difficulty, in the sense that when one weighs up a Bill, as amended, on Third Reading, one has to reflect on the processes by which we have arrived at the Bill as amended.

I was pleased to hear the tribute that the Minister paid to the right hon. Member for Makerfield (Mr. McCartney). I am also delighted to hear that he is pleased to see the right hon. Gentleman anytime for a cup of tea and a discussion about important issues. That no doubt includes new clauses 12 and 13, which were not reached and which concern matters to which the hon. Member for North Southwark and Bermondsey (Simon Hughes) alluded in a point of order.

We are in a difficult position. Do I believe that the process by which we have arrived at the Bill as amended is right? If the House cannot debate whole areas of a Bill, how can I attest that it has been properly constructed? The guillotine, over which we have no control, was designed in such a way that matters that pertain directly to the Bill, such as open justice on tribunal cases, were never debated in Committee or even reached here, because of the constraints of the guillotine motion on Report. That is why I have to weigh up whether the process is sufficiently legitimate to enable me to support the Bill.

There will be many people outside the Chamber who will not understand how we cannot discuss matters that relate directly to the contents of a Bill. Tribunals being open and their processes being known are fundamental principles of English justice. The Government—or rather, the preceding Department—wiped that out with a statutory instrument.

The right hon. Member for Makerfield said that the Minister had invited him to tea when he was the lead Minister on those parts of employment law that relate to public interest disclosure. He said that it was crucial to put in the public domain things that would otherwise have remained secret—that was about corporate governance, employment and the protection of people. None of that was allowed to be debated, however, because of a guillotine.

In the past four weeks the House has conducted hardly any business, because the Government entirely control the timetable and the nature of the business that

comes before us. They presented the House with a glorious opportunity to look at key issues of employment law, but that opportunity has now gone. What we needed, at least on Third Reading, was some form of undertaking that justice should be open. The retreat from open justice by this Government is becoming a scandal.

I will not oppose the Bill, because I believe that there is sufficient provision in it to justify supporting it, but I regret deeply that we cannot discuss matters that are relevant to all our constituents, from wherever we come. That is shaming to the House.

9.45 pm

Simon Hughes: This is an important area of legislation and, as the hon. Member for Huntingdon (Mr. Djanogly) said, there has been a huge amount of legislation on these matters. I want to follow on from where the hon. Member for Aldridge-Brownhills (Mr. Shepherd) left off. There are five areas of importance in the Bill, and we had some debate on all of them on Report. Those who were privileged to serve on the Committee were able to explore them in more detail but, as is always the case, that involved only a minority of Members. Over the years, many of us have taken an interest in many of the matters that have been touched on in the Bill.

Some of the outcomes of the deliberations in the House of Lords, and in the Commons so far, have been good, but I have to share the frustration that the hon. Member for Aldridge-Brownhills has just expressed, and which I ventilated when I raised a point of order earlier, that there has been no opportunity to explore some of the matters in the Bill or to test whether they are as valid as they could have been. I want to concentrate on two of those areas.

The first area, which covers the first seven clauses of the Bill, deals with dispute resolution. I have had a meeting with the Minister on this matter, for which I was grateful. He knows that I have taken an interest in this, and I have also raised the matter in Adjournment debates in the House. I am concerned that the Bill, as it stands, still does not deal with one of the areas in which the worker often feels that he or she does not get a fair shout. Changes to the dispute resolution procedure are proposed in clauses 1 to 6. Variations have been made over the years—these proposals undo the changes we made four years ago—as to how much should be optional, how much should be procedural, and the extent to which complying with the procedure should make a dismissal unlawful. However, there is still no automatic right to a dispute resolution procedure for someone who is dismissed summarily. There are many people up and down the land, in small and large firms, who, as a result of this legislation, will still be able to go to work and find themselves dismissed with no right to any dispute resolution procedure in the workplace. They can take their case to an industrial tribunal but, in four fifths of the cases that get to a tribunal, the employee does not succeed. Furthermore, in many cases, the tribunals and the higher courts will say that such cases fall within the band of a reasonable decision taken by the employer.

Many workers do not feel that they are getting a fair deal yet. It is disappointing that, when the Government looked at the statutory dispute resolution procedures and introduced the changes in clauses 1, 2 and 3, they did not consider going back to the beginning of the procedure and providing for access to the statutory dispute resolution procedures from the beginning of the process.

Clause 3 allows the awards that can be granted to be varied and provides for a financial penalty. Bluntly, however, a financial penalty is not much use if, at the end of the day, the person loses their job. If someone is dismissed, the chance of getting back to work is very small, certainly reduced, and the person might be out of work for a long time.

Clause 5 provides for conciliation before the bringing of proceedings, but it is clear that we have moved from having a set of obligatory procedures to an optional procedure—from "shall act" to

"may endeavour to promote a settlement".

Conciliation officers do a good job. ACAS, based in my constituency, does a good job; it has been lauded on both sides of the House, and everyone is glad that it is there. It takes many disputes away from the headlines and improves many people's lives. It would be preferable, however, if the Government recognised that significant injustices are not yet dealt with.

Today's deliberations and the fact that Parliament has been able to debate less than half of what it wanted to debate will mean, as the hon. Member for Hayes and Harlington (John McDonnell) said, that we will have to return to these matters—and soon. Only part of the opportunity has been taken; sadly, part of it has been significantly missed.

I end where the hon. Member for Aldridge-Brownhills started: unless we change our procedures so that Parliament, not the Government, determines the business, we will never be able to do our constituents the proper service that they expect us to do. Parliament, not the Government, should decide Parliament's business; we need to change that in order to get the balance right.

Question put and agreed to.

Bill accordingly read the Third time, and passed, with amendments.

PETITION

Violence Against Women

9.51 pm

Mr. Edward Timpson (Crewe and Nantwich) (Con): I wish to present a petition on behalf of members of the Cheshire federation of the women's institute concerning violence against women across the UK. Each year, 3 million women across the UK experience rape, domestic violence, forced marriage, stalking, sexual exploiting, trafficking or other forms of violence. The women's institute is concerned that there is vision for eliminating violence against women, as there appears to be an assumption that the abuse of women and girls is "a fact of life".

The petitioners attracted the support of 14 signatures and the petition was co-ordinated by the members of the Cheshire federation of the women's institute. It reads:

The Petitioners therefore request that the House of Commons urges the Government to stand by the UK's commitment to afford women and girls their basic human right to live free from violence, and its threat, by taking steps to eliminate violence against women.

[Mr. Edward Timpson]

And the Petitioners remain, etc.

Following is the full text of the petition:

[The Petition of members of the Cheshire federation of the women's institute, declares that violence against women is a cause and consequence of women's inequality and that the Government is not doing enough to prevent violence against women from occurring; and further declares that there seems to be a mentality that abuse of women and girls is a fact of life.

The Petitioners therefore request that the House of Commons urges the Government to stand by the UK's commitment to afford women and girls their basic human right to live free from violence, and its threat, by taking steps to eliminate violence against women.

And the Petitioners remain, etc.]

[P000280]

Gatwick Airport Security

Motion made, and Question proposed, That this House do now adjourn.—*[Helen Goodman.]*

9.52 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Even though the facts that led to my request for this debate are personal, I am bringing it to the attention of the House as their implications deserve wider attention. Let me begin by outlining those facts.

On Sunday 3 August, I went through security at Gatwick airport at around 3.30 am. I was going on holiday to Corsica. One suitcase was checked in and I carried one bag on to the plane. The bag I carried with me went through security checks; it was the first shift of the day and it was not very busy when I went through. When I arrived in Corsica, two things happened, which I want to talk about in turn, as the two are separate as well as related.

First, my suitcase did not arrive in Corsica. Secondly, when I got to the hotel and unpacked my hand luggage, I discovered that in the side pocket of a shopping bag that I had brought with me for use as a beach bag there was a fruit knife. It had been left in the bag some time ago, and I had not spotted it when I was packing. The knife is a small kitchen knife, its total length is 7 in, with a 3 in blade. Let me make it quite clear that I do not habitually walk around carrying knives and I certainly had no idea that this particular knife was in my bag, so I was not conducting a test case to check the security.

However, first thing on Monday morning, I asked my office manager in Birmingham to get in touch with Gatwick airport to tell it that it had a problem, because the knife surely should have been spotted as the hand luggage was screened. My instincts were that someone had made a mistake and Gatwick security should be made aware of it so that they could put it right. I would have been content to leave it at that but it took a number of phone calls to establish the appropriate person to contact. In the end, my office e-mailed July Spellward and Fiona Carleton at BAA outlining the events. There was no response other than being told that Fiona Carleton, the aviation security manager, would be out of the office until 11 August. So the security manager at Gatwick airport is out of the office for the second week in August!

On 11 August, my office contacted Gatwick again for a response. We received a response from Wendy Leigh, personal assistant to Andy Flower, who informed us that Andy Flower was away on annual leave but that she would forward our e-mail to the customer service department for it to respond direct, which it did not do.

When I returned to Gatwick on 17 August two things happened. First, the suitcase that I had lost on the way out and of which I had heard nothing for two weeks mysteriously reappeared and was on the luggage belt. It had returned with me and I just picked it up. Secondly, I went to the BAA information desk where I told my story and asked whether there was anybody I could speak to. I was given the card of July Spellward. At this point I discovered that she is the traveller insight manager. I left my mobile number, as I wanted to pass on some insights, and was assured that she would call me first thing on Monday morning, which she did not—nor did she do so at any other time.

However, on Monday 18 August the commercial director, Mike Luddy, contacted me in a letter to discuss the problems that I had encountered—of course, I thought that BAA had the problems, but he clearly thought that I had them. On 18 August he said—he was very precise about this:

"I can advise that 317 passengers were processed through North Terminal security between 0315 and 0345 on 3rd August. Three cameras were in operation at the time and if you could provide us with the time you passed through security and perhaps a photograph of yourself to help us with identification, then we may be in a position to take this matter further forward as appropriate".

So two weeks later, BAA has something from security and is asking for a photograph to look into the matter further. I responded that I found those answers unsatisfactory and put a number of questions to Mr. Luddy. I also had a phone call from Scott Colvin, head of group public affairs, on Thursday 21 August who began by telling me that a letter resolving the open questions had been sent, but later apologised when he realised that the letter he had in mind had nothing to do with my problem.

I confess that at this point I ran out of patience and contacted *The Mail on Sunday*. Curiously, once a journalist got involved and started to ask questions, what had started out as a question of public relations suddenly became a matter of national security, which Mr. Luddy told me prevented him from discussing security standards and individual incidents any further.

To illustrate why I have absolutely no confidence in anything that BAA told me, I shall quote two statements from the same day. On 22 August, Mr. Luddy told me that

"as we are unable to identify the individual involved we have now taken the decision to take all fourteen members of staff off line for re-training."

However, I also have an e-mail from him dated the same day in which he says:

"Yes, we have identified the individual and she has not worked a shift at the airport since but as a precaution we have taken the entire crew off shift for re-training".

In addition, he says that

"the team have not been on duty since the date you travelled".

In other words, the entire team has not been on duty from 3 August to 22 August.

On 29 August, Mike Luddy sent an e-mail that in order to "close this issue" he was telling me that the crew had been retrained and were now back at work, and that new procedures were in place to deal with complaints. I told him that I did not regard it as closed and said that once the House returned from its summer recess I would try to get an Adjournment debate on the subject. I am indeed grateful to have the debate. I am also grateful that my hon. Friend the Member for Crawley (Laura Moffatt), whose constituency covers Gatwick airport, is in the Chamber because I want to reassure her that I am confident that the many people who work hard at Gatwick airport, often for long hours and not good pay, are doing their very best. What is happening is that they are being let down by incompetent management.

Laura Moffatt (Crawley) (Lab): I am deeply grateful to my hon. Friend for giving way. I make no apology either for the incident or for the subsequent events, but I think it right that she gives proper recognition to those people's work. I have spent a lot of time with them, and I know that their work is very difficult. I was very glad to hear her recognise that.

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn. *—[Chris Mole.]*

Ms Stuart: Just as I had entered the phase of thinking that perhaps this was just my problem and I should let it rest, I was surprised—or, more to the point, not surprised—to read in the 19 October edition of *The Sunday Times* that

"replica bombs were smuggled past security staff in hand luggage during a safety inspection at Britain's second busiest airport. Staff at Gatwick airport failed to identify artificial explosives carried by undercover transport inspectors from Brussels even though one device was allegedly identified as suspicious by X-ray scanners."

An interesting interpretation of that incident by *The Sunday Times* was that although the staff who check objects through security know that a quality control device sometimes brings up images to check that they spot them, they are under so much pressure to get people through security quickly that they do not have time to concentrate on what they see on the screen.

As for the incident that I have described, for all I know BAA's management has improved the way in which it deals with complaints, but I am not confident that it has improved the way in which it deals with security.

I also want to mention the matter of the missing suitcase. We are always told that it is imperative that there should be no piece of luggage on an aeroplane that is not identifiable, and that therefore there should never be any unaccompanied luggage. That leads me to the assumption that, in the interests of security, staff ought to know where suitcases are; but that clearly did *not* apply to my suitcase. It went AWOL, then reappeared, and when I asked BAA staff where they thought it was, I received no answer.

The curious aspect of the matter is that air travel is the most prescriptive mode of travel that I can think of. Air travellers must buy named tickets that cannot be transferred. They are told exactly what they can and cannot take on the plane. They are asked to turn up hours in advance. They are not allowed to take any liquids through security, which means that they must leave their can of Coke at one end and purchase a rather expensive can at the other end. People put up with all that because the deal is that it is to do with safety, so the least that we should be able to expect is that those with a duty to impose safety measures take safety seriously.

The same applies to the issue of suitcases. The problem seems to be not just security, but the fact that BAA deals with one thing while—in this instance—EasyJet deals with another, while a third company tracks the luggage. None of them seem to care much what happens. They assume that tourists need only take out travel insurance. In no other walk of life would it be regarded as acceptable to assume that people insure themselves against the breach of part of a contractual obligation, but in this case it seems to be considered routine that people will lose their luggage. I was without luggage for two weeks, but the maximum that BAA is prepared to provide is three days' compensation at £25 per day against receipts—in other words, a maximum of £75—because it is assumed that people have insurance.

[Ms Gisela Stuart]

I should like the Minister to do three things. First, I should be very grateful if he could obtain what I failed to obtain: a genuine datelined account of what was done with the security crew. At what point were they taken off duty, and at what point were they retrained? Secondly, I ask the Minister to obtain the European Commission report—which I tried to obtain through the website, but which proved not to be available—and, if possible, to share it with me. Thirdly, I ask him to examine the issue of lost luggage. It seems to be dealt with in such a haphazard way that I do not feel confident that security is taken as seriously as it should be.

10.4 pm

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): I congratulate my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) on securing this debate. I am sincerely sorry to learn that her experience of security at Gatwick airport was far from happy. It is also disappointing that she had to go to so much trouble to follow the matter up, and sometimes even had difficulty in finding the right person to deal with.

Responsibility for each security measure is allocated by law to appropriate parts of the complex aviation industry, and it clearly is a complex system. However, I can assure my hon. Friend that the Department for Transport, as the security regulator for the industry, monitors performance through its inspectors and takes appropriate action where required. I will turn to the specific questions my hon. Friend asked shortly, but I would like to begin with some more general remarks to set the scene.

We are in a period of sustained severe threat to the UK from terrorist attack. Aviation remains an aspirational terrorist target. A lot of good work is done by the aviation industry to deliver security requirements. At Gatwick, the airport deploys the very latest equipment available for the screening of cabin bags and the passengers themselves. The staff working at airports have a difficult task, and I am sure Members will join me in paying tribute to the hard work they do. Indeed, my hon. Friend the Member for Crawley (Laura Moffatt) raised this matter, and my hon. Friend the Member for Birmingham, Edgbaston, who has had the problems, has generously accepted that staff generally do an excellent job in difficult circumstances. We all appreciate their efforts. I hope that my hon. Friend will understand that I cannot comment now on specific operational matters at particular locations, but what I will do is set out the general context of the UK's aviation security programme with reference to Gatwick airport, and respond to her points later.

As I have said, the Department for Transport sets the standards for aviation security, but it is up to the airport's own management to decide precisely how it will ensure that these standards are met. Locations differ, and this means that different practical approaches to security need to be taken.

The other essential aspect of aviation security that I should touch on is what we call the layered approach to security. Public attention on aviation security is often focused on the aspects of security that are most obvious to travellers, such as X-raying of hand luggage and walking through a metal detector, and, of course, these are important aspects of the security picture. Importantly, however, these are only small parts of the security picture. Other aspects such as physical security measures, staff screening, policing, intelligence, travel document security and staff training all contribute to the layered security arrangements at Gatwick and other airports.

The Department for Transport always investigates any alleged breach of security so that any weaknesses can be addressed. However, we also have to consider the balance between the public's right to be informed of the risks—and the mitigating measures—and the need to ensure that terrorists are not fully aware of the preventive measures in place.

This brings me back to the layered approach to security. None of the parts of the security set-up at any location can, by themselves, deliver 100 per cent. security. As my hon. Friend mentioned, the knife she accidentally took on board an aircraft in her hand luggage when she went on holiday in August was not detected. The fact is that BAA plc made a mistake, and I am not here to make excuses for it—and, to be perfectly frank, after listening to the litany of problems my hon. Friend had, I would not know where to start.

As my hon. Friend says, BAA has written to her on a number of occasions, and, as well as taking steps to retrain the security officers concerned, it has a new procedure in place to respond to complaints of the kind that she made. As I am sure my hon. Friend would expect, this is not the end of the matter. Airport security is not simply about dealing with particular incidents of the kind she mentioned; it is a continuous process of maintaining and improving high standards in a difficult working environment. While we are reliant on the airports themselves to ensure that the necessary measures are implemented on a day-to-day basis, we undertake a regular programme of compliance-monitoring visits, including announced and unannounced inspections, and we provide appropriate advice and guidance to the industry. The inspection of Gatwick airport that was carried out by the European Commission in October, to which my hon. Friend referred, is one part of the programme of work that the Department for Transport and the European Commission have in place for Gatwick and other airports.

My hon. Friend asked two specific questions about Gatwick. The first was whether I would ask BAA to provide a timeline of when precisely the crew was taken off duty, what kind of retraining they received and when they returned to work. I will certainly do that, and I will let her have a copy of the response I receive from BAA.

My hon. Friend also asked about reports of the European Commission inspections of UK airports. I assure her that my Department acts on information arising from our joint working with European inspectors. The information that emerges from any inspection is always constructive and is the subject of a great deal of activity by Department for Transport officials and UK airports, as well as by the European Commission. For the reasons that I have stated, I cannot provide further details, but, as I am sure my hon. Friend would expect, where security is concerned we act as soon as is needed.

Finally, my hon. Friend asked about luggage handling. It is annoying for passengers when luggage is lost or

delayed, and it is in the aviation industry's own interests to make sure that that happens less often. Indeed, it happened to me this summer, so I know how frustrating it is. I must say that the airline with which I was flying found the baggage within 24 hours and couriered it back within another 24 hours, so my experience was more reassuring than her own. On the security issues surrounding delayed luggage, I can assure my hon. Friend that as well as there being 100 per cent. hold baggage screening for all bags at UK airports, there are additional, more intensive security measures above and beyond that to deal with luggage that travels separately from its owner, for whatever reason.

In conclusion, I think we all accept that heightened aviation security measures will be with us for some time. I am sure that we also all agree that they do not make the travelling experience any more pleasant, and that it is worrying when things do not go as they should—my hon. Friend experienced that. I thank her for bringing this matter to our attention, congratulate her again on securing this debate and assure her that the commitments I have made this evening, both in general and to her in particular, will be fulfilled.

Question put and agreed to.

Adjourned accordingly at eleven minutes past Ten o'clock.

House of Commons

Wednesday 5 November 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Universal Primary Education

1. **Annette Brooke** (Mid-Dorset and North Poole) (LD): What assessment he has made of progress towards achieving universal primary education by 2015. [233021]

The Secretary of State for International Development (Mr. Douglas Alexander): The global primary net enrolment ratio increased from 84 per cent. in 1999 to 89 per cent. in 2006. However, the latest estimates show that 75 million primary-aged children worldwide—41 million of them girls—are still not enrolled in school, and further progress is needed to achieve the target of universal primary education by 2015. We are working with the international community to accelerate action towards meeting that millennium development goal.

Annette Brooke: I thank the Secretary of State for that answer. Can he confirm that Department for International Development staff are implementing the education beyond borders policy changes and ensuring that education is core to any humanitarian responses? With particular reference to the Democratic Republic of the Congo, and notwithstanding the large sum allocated last year towards education, will there be extra funding for education as part of the UK's humanitarian relief programme for that region?

Mr. Alexander: I can confirm that the 2007 DFID initiative, education beyond borders, is being implemented. In relation to the DRC in particular, more than £10 million of £55 million to be provided over a five-year period goes towards access to primary education. We continue to assess the growing humanitarian difficulties afflicting the troubled area of the DRC. We made an immediate announcement of an additional £5 million at the weekend. I have had discussions with the Foreign Secretary since his arrival in the DRC. We continue, of course, to talk to our teams on the ground in the DRC to assess what further assistance is required.

Hilary Armstrong (North-West Durham) (Lab): My right hon. Friend will be confident that many African countries in particular are working hard to meet their millennium development goal commitments on education. Recently I have been working in Tanzania with people on education, and I should say that it is also important that we pay attention to the quality of the education experience in such countries as well as to the numbers receiving it. Tanzania is doing a great job in increasing the numbers of its children in primary education, but can the Secretary of State assure us that the Government are also working with that country to improve the quality of the education through better teacher training and teacher support?

Mr. Alexander: I am happy to give that commitment to my right hon. Friend. Like her, I have visited schools in Tanzania and I have seen for myself the tangible difference being made by extending access to primary education for the young people of that country. Enrolment in Tanzania has doubled. Now, 98 per cent. of children there go to primary school; the figure used to be 60 per cent. My right hon. Friend is right, however, to recognise that there should be no contradiction between issues of quantity and quality. We are looking at the issue of retention; in Dar es Salaam I spoke with President Kikwete on exactly those challenges. I assure my right hon. Friend that it is one of the issues on which we are working in Tanzania.

Michael Fabricant (Lichfield) (Con): The Secretary of State rightly identified the need for equality of opportunity for both sexes in education, and he will know of the tremendous improvements that there have been in Afghanistan. However, such opportunities are not available in other fundamentalist Muslim states. What is the Department doing to encourage those states to provide equal opportunity in respect of education for girls and young women?

Mr. Alexander: The focus of our work at the Department for International Development is not dictated by the majority religious views of any one country but the requirements of the country for support in tackling poverty. We are working with Governments in a number of different countries; the hon. Gentleman mentioned Afghanistan, and we have contributed about £60 million to the Afghanistan reconstruction trust fund specifically for education. Where we are working we are in regular dialogue with Governments about improving the lot and opportunity of young girls in particular. To take one example, today about one in six of young girls around the world not in education are in northern Nigeria. That is why we are engaged in dialogue with the Nigerian authorities to see how we can extend opportunities to young girls and the disabled. It is necessary to get them into education if we are to see the progress that we want on the millennium development goals.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): In townships, there is sometimes no electricity and no water, but there are always mobile phones. BlackBerry, Nokia and Vodafone have substantial educational trusts. Will the Secretary of State consider convening a meeting of mobile phone operators? Using mobile phones for content could be a way of increasing primary education.

Mr. Alexander: I assure my hon. Friend that we are fully aware of the potential of what is widely seen in Africa as a leapfrog technology. Many countries that did not have fixed land-line telephone systems now have a number of mobile operators. Recently I discussed the

potential of mobile telephony with Mo Ibrahim, who deserves huge credit for having expanded opportunity and built a hugely successful business in Celtel in recent years.

Dr. Andrew Murrison (Westbury) (Con): Will the Minister comment on the opportunity cost to the goal of universal primary education of the Government's generosity to small-scale projects in emerging super-economies? Does he agree that that money might be better focused on areas of the world that are not blessed with natural resources or emerging super-economies of the sort that we see in China or, indeed, even in India?

Mr. Alexander: China continues to be afflicted by considerable challenges in poverty reduction, notwithstanding the welcome growth of its economy in recent years. That is why we continue to work in China, although we are due to close our bilateral programme shortly. We are continuing to work there partly because any serious assessment of the role of China in Africa recognises that now is exactly the time to try to exert influence over the Chinese authorities to ensure that their engagement with the continent of Africa in providing infrastructure and new opportunities is benign in the years ahead.

Poverty

2. **John Robertson** (Glasgow, North-West) (Lab): What steps his Department takes to ensure its aid is used efficiently and effectively to combat poverty in developing countries. [233022]

The Parliamentary Under-Secretary of State for International Development (Mr. Ivan Lewis): The Government are committed to ensuring that UK aid is used effectively to make a difference to the poorest in the world. DFID has strong processes and systems that ensure that aid is allocated to the countries where it will have the greatest impact and used efficiently and effectively to reduce poverty.

John Robertson: I thank the Minister for that answer. As chair of the all-party group on Nigeria, I have visited the country on several occasions and will do so again next month. The best work that I have seen DFID do is when it takes a hands-on approach to a project and ensures that it is involved throughout. Can he assure me, and does he agree, that the norm with DFID projects should be that it adopts such a hands-on role and ensures that taxpayers' money is well spent?

Mr. Lewis: I pay tribute to my hon. Friend for his interest in the considerable progress that is being made in Nigeria. It is important that we adopt different approaches depending on the circumstances in the countries in which we are working. In some countries it is appropriate to work in partnership with Government through budget support, in others we should work with non-governmental organisations that are best placed to make a difference, and in some circumstances it is better to manage projects directly and then use the lessons from those projects to ensure that the populations of those countries can ultimately assume responsibility for building on that progress.

Sir Nicholas Winterton (Macclesfield) (Con): The Minister will know that a very high percentage of the population of Zimbabwe is starving as a result of the activities of ex-President Mugabe. What assurance can he give me that the aid that we are giving to that country, and rightly so, is getting through to the people who need it and is not being used by Mr. Mugabe and his henchmen for political purposes?

Mr. Lewis: The hon. Gentleman raises an issue that unites Members on both sides of the House. The aid that we give to Zimbabwe goes directly through the United Nations and does not go through any governmental organisations within Zimbabwe. My right hon. Friend the Secretary of State met the head of our Zimbabwe office only last week, and those assurances were reaffirmed. Let us send a very strong message from this House today that we expect Mugabe to honour the commitments that were made in the agreement on a political settlement. Until that happens, the people of Zimbabwe are suffering as a consequence of Mugabe's failure to honour those commitments.

Dr. Nick Palmer (Broxtowe) (Lab): Does my hon. Friend agree that one issue to consider is that most countries monitor their own aid programme in parallel with those of other countries? Will he and his colleagues work with our partners in the European Union, and with the welcome new US Administration, to try to co-operate in order to maximise the amount of aid that is given on the front line and not waste it in duplication?

Mr. Lewis: My hon. Friend raises an important issue. It is important to note the progress that has been made. DFID has met seven of the 10 international targets on aid effectiveness agreed in the Paris declaration—that is three years ahead of schedule. The strong UK leadership from my right hon. Friend the Secretary of State on the Accra agenda for action has been welcomed in terms of ensuring that the maximum amount of resources is spent on the front line to help the poorest people of the world. It is absolutely crucial that we ensure that the Accra agenda for action is implemented.

David Simpson (Upper Bann) (DUP): Does the Minister's Department have a role in assisting prosecutions in developing countries when it is discovered that aid has been diverted?

Mr. Lewis: The hon. Gentleman raises an important point. Of course, there are clear international standards and transparency in terms of what we expect to be the consequences for those who are found to misuse our aid. It is not necessarily for us to dictate how the criminal justice systems in those countries operate and how they bring people to justice, but the principle of accountability and responsibility is non-negotiable, and wherever corruption is discovered we expect the toughest conceivable action to be taken.

Richard Burden (Birmingham, Northfield) (Lab): One of the things that most disrupts the effective disbursal of aid is conflict. My right hon. Friend the Secretary of State mentioned the additional support being given in the DRC; could the Under-Secretary say a bit more about what we are doing to ensure effective humanitarian aid access in that part of the world?

Mr. Lewis: My hon. Friend is probably aware that we recently announced an additional £5 million in aid for humanitarian support to the DRC. That takes our contribution to £42.8 million. We have specifically focused on the north Kivu area, and some of the funds will be used to fly in essential items at the request of UNICEF, whose stocks are low. We still await further details on the situation before we consider the next stage of our assistance.

Robert Key (Salisbury) (Con): Will the steps the Minister is taking include contacting President-elect Obama to see whether projects can be developed with the incoming American Administration to address poverty in Kenya?

Mr. Lewis: I am very optimistic that President-elect Obama will find a slot in his diary for me in the next few days—[*Laughter.*] I am sure that my right hon. Friend the Secretary of State will be delighted about that.

I am sure that all in the House would want to acknowledge what a momentous and historic event occurred in the United States of America yesterday. We send President-elect Obama our best wishes, and we believe that he will be a positive and progressive partner in tackling poverty in all parts of the world. It is one of the most encouraging things that has happened, politically, in my lifetime and it gives us all hope that the USA will make a tremendously positive contribution to tackling some of the world's most serious problems.

John McFall (West Dunbartonshire) (Lab/Co-op): It is welcome that aid in the past 20 years has focused on health and education, but that was at the expense of agriculture, and this year already an additional 100 million people in the developing world have been pushed into poverty. What adaptation is the Under-Secretary making to the overseas development programme, particularly on the issue of water security, which will undoubtedly be the prime security issue in the 21st century?

Mr. Lewis: My hon. Friend raises an important issue. Agriculture is absolutely essential, as is water security. In that connection, we have recently announced £400 million of additional investment in research. There was a period when the world deprioritised the importance of agriculture, but we will make our contribution, and we recognise that agriculture is an important part of the opportunities available to the developing world to progress.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): I welcome the Under-Secretary and his fellow Under-Secretary, the hon. Member for Worcester (Mr. Foster), to their new responsibilities in the Department. We wish them all the best for the future.

Building on the Minister's comment about President-elect Obama, we now have the prospect of a new form of leadership in the United States. With regard to the partnership that the hon. Gentleman talked about, does he agree that one of the early priorities must be to ensure that aid levels are maintained? In the course of the current economic uncertainty, nobody in the world should scale down what they are offering. In that regard, does he agree that persuading the US to adopt a timetable to reach the UN aid target of 0.7 per cent. of gross national income must be an early priority?

Mr. Lewis: I agree entirely with the hon. Gentleman. The Prime Minister has made it absolutely clear that the 0.7 per cent. target remains the UK's aim. We also believe that the world's current economic difficulties reinforce the interdependency of our world. Rather than being seen as a threat to development investment, we should use those difficulties as an opportunity to explain to our populations and to all the donor countries why supporting the developing world in an economically difficult period is even more important.

Mr. Andy Reed (Loughborough) (Lab/Co-op): As my hon. Friend knows, the most effective way in which to tackle poverty is through good governance and capacity locally, especially when women are involved in local projects. Will he assure me that DFID programmes will always address those long-term issues, despite the short-term need to tackle immediate problems, such as those in the DRC? Maintaining such projects in the long run is the most effective way in which to effect genuine change and make a difference to people in the poorest countries in the world.

Mr. Lewis: I agree with my hon. Friend entirely. It is important that change is sustainable and long term. We achieve that only by building up the authorities, the administration and the governance arrangements in those countries, and supporting all sections of society to fulfil their potential and ensure that their talent is deployed for the benefit of their country. There is no doubt that many women in those countries could play a much greater leadership role at village, community and political level. A major part of DFID policy is ensuring that we tackle gender inequality, which continues to hold back too much of the developing world.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): On this great day for change, we, too, welcome the Under-Secretary to his new responsibilities. We also welcome the additional humanitarian aid for the Congo, which DFID announced at the weekend.

I hope that the Minister has read with concern the report by the respected National Audit Office, which found that a large percentage of development projects in conflict zones suffer from fraud or problems with financial accountability. What do he and the Department plan to do to tackle that?

Mr. Lewis: First, let me say that I suspect that last night marked the death of the illusion of compassionate conservatism. It was always an illusion.

The serious response to the question is that we have always made it clear, and have been complimented on that by the National Audit Office, that maximum transparency and accountability are at the core of not only the way in which we go about our business in the Department, but the leadership that we provide in international institutions. My right hon. Friend's contribution at Accra meant that, from a weak starting point, we have a robust commitment to ensuring maximum value for money and best governance practice.

Mr. Mitchell: Given that response, why does the Under-Secretary not announce today that he will implement in full the Conservative party's proposal to set up an independent aid evaluation agency in London? Would not that give taxpayers confidence that their aid money was being spent efficiently and effectively?

Mr. Lewis: The 2006 OECD Development Assistance Committee peer review of the United Kingdom states:

"UK offers a powerful model for development co-operation. The UK is currently seen by many aid practitioners and donors as one of the bilateral models for today's evolving world of development co-operation."

The Canadian International Development Agency stated:

"DFID is seen as the best development organisation internationally".

The hon. Gentleman should congratulate one of the UK's greatest success stories.

Climate Change

3. **Mr. Robert Flello** (Stoke-on-Trent, South) (Lab): What steps his Department is taking to help the world's poorest countries address the adverse impacts of climate change. [233023]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): Climate change poses a serious and long-term threat to development in poor countries. To tackle this, the Department is pushing for an ambitious new global agreement to combat climate change. Our core business of lifting people out of poverty is still the most effective way of reducing the impact of climate change on the world's poorest people. We are supporting countries to integrate climate change adaptation into their development plans, and doing the same for our bilateral aid programmes.

Mr. Flello: I am grateful to my hon. Friend for that reply and it is good to see him in his new role.

In recent years, the intensity and frequency of flooding in Bangladesh seems to have increased substantially. What are the Government doing to help that nation, which is one of the poorest, to tackle climate change?

Mr. Foster: I thank my hon. Friend for his comments. Bangladesh's geography and poverty combine to make it especially vulnerable to climate change. DFID has helped to raise the floors of some 32,000 homes in Bangladesh—the equivalent of a small city in our country—above the one-in-100-year flood level. In addition, we have announced a £75 million programme to help the country to adapt further to rising sea levels, waterlogged land and increased saline intrusion.

Malcolm Bruce (Gordon) (LD): The Minister will be aware—and it is worth reminding the House—that the Select Committee on International Development is about to embark on an inquiry into sustainable development in a changing climate. Does he agree that it is important for those of us in the west tackling climate change to understand that developing countries that have developed niche markets, selling, for instance, flowers and vegetables to the United Kingdom, can do so sustainably? Does he agree that we should continue to support those countries, rather than stop buying such goods, as some people have called for, which sustain thousands of jobs in Africa?

Mr. Foster: May I begin by congratulating the right hon. Gentleman on his work on the International Development Committee? I look forward to appearing before his Committee in that inquiry. He is absolutely right about enabling developing countries to grow in a sustainable fashion. I think that he and I would both agree that climate-smart development is the way for the future.

Ms Sally Keeble (Northampton, North) (Lab): Does my hon. Friend agree that one immediate and visible sign of climate change is food shortages in developing countries? What is his Department doing to improve people's nutritional status and stop the hunger, especially among children, in sub-Saharan Africa?

Mr. Foster: In addition to the humanitarian aid that we obviously give in such circumstances, we are embarking on a major piece of research, with some £400 million being invested over the next five years, so that in the long term we can help to cultivate drought-resistant maize and saline-resistant rice for waterlogged countries.

Mr. William Cash (Stone) (Con): The Minister may be aware that drought and water problems are extremely difficult to overcome for parts of Africa and other parts of the world. As chairman of the all-party group on water and sanitation in the third world, which enjoys the support of 250 Members of Parliament, may I ask him to say what steps are being taken to satisfy organisations such as WaterAid and Tearfund, which recently made representations to the Department because of the shortfall in the amount of money being made available for sanitation and water?

Mr. Foster: The hon. Gentleman makes an important point. Just last week my right hon. Friend the Secretary of State launched DFID's new water and sanitation strategy. Part of that strategy accepts the fact that there are 1 billion people living in developing countries who still have no access to toilets and 900 million people who have no access to clean water. Through that strategy and the good work of organisations such as WaterAid, we intend to build toilets for more than 50 million people and provide clean water for an additional 25 million people in the developing world.

Hugh Bayley (City of York) (Lab): Now that Britain is the biggest contributor to the World Bank's International Development Association—or IDA—window, which funds grant aid to the least developed countries, we are in a particularly strong position to influence bank policy. What contribution do the Government want the World Bank to make to adaptation to climate change in the poorest countries of the world?

Mr. Foster: At the 2005 summit in Gleneagles, the UK championed the clean energy investment framework, which commits the World Bank and other multilateral development banks to increase their investment in renewable sources of energy.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): May I, too, welcome the Minister to his new post? Does he agree that consensus on a post-Kyoto agreement at Potsdam next month is essential to protect some of the poorest people on the planet? In that connection, what strategy have he and his colleagues in other Departments adopted to deal with the new President-elect Obama, who has already stated that he wishes to re-engage in the UN process and, in particular, to introduce a new and effective carbon cap-and-trade system?

Mr. Foster: May I say how much we welcome the pledges made during the election campaign by President-elect Obama? We are pushing for a post-2012 agreement on climate change and as part of that campaign we believe that it is important to engage with our European allies and European partners. If I could just tease the hon. Gentleman, I would say that isolation in the European Union is not good for the developing world or for climate change.

International Development Funding

4. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What assessment he has made of the effect global economic turbulence will have on the UK's international development funding. [233024]

The Secretary of State for International Development (Mr. Douglas Alexander): As my right hon. Friend the Prime Minister stated as recently as 17 October:

"By 2013, the UK Government will reach our target of spending 0.7 per cent. of national income on aid. We have clearly laid out our plans to the reach this goal and we are encouraging our partners to do likewise."

David Taylor: Actis Capital, the opaque private equity company created in 2004 to invest the then Commonwealth Development Corporation's funds, made $50 million profit in 2007 from sources such as a financial services company in South Africa and a hotel chain in China. How satisfied is my right hon. Friend with Actis's use of public money at a time when aid budgets are under such pressure? Could it not be put to far better use in agriculture, health, education and infrastructure projects in the developing world?

Mr. Alexander: CDC, which has worked with Actis in recent years, has accumulated capital while investing significant sums of money in the developing world. The need for continued flows of capital to the developing world has only increased in recent months and that is why it is important that, for example, the World Bank increases counter-cyclical lending. That is why we want to see other institutions, including CDC, continue to put capital into the developing world. Aid alone will never be sufficient to meet the challenge of poverty.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [233006] **Mr. John Leech** (Manchester, Withington) (LD): If he will list his official engagements for Wednesday 5 November.

The Prime Minister (Mr. Gordon Brown): I am sure that the whole House will wish to join me in sending our profound condolences to the family and friends of the soldier from 2nd Battalion the Royal Gurkha Rifles who was killed in Afghanistan yesterday. In the week leading to Remembrance Sunday, we should remember the debt of gratitude that we owe to all those who have laid down their lives in service of our country.

Before I list my engagements, I am sure that the whole House will wish to join me in sending our sincere congratulations to Senator Barack Obama on winning the presidency of the United States and writing a new chapter in history in doing so. The bonds that unite the United States and the UK are vital to our prosperity and security and I know from talking to Senator Obama that he will be a true friend of Britain. The Government look forward to working with the new Administration as we both help people fairly through the downturn. I also want to pay tribute to Senator McCain, who has shown the characteristic dignity that has marked a lifetime of service to his country.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr. Leech: May I add my condolences to the family of the dead soldier?

Over the next few weeks, the residents of Greater Manchester will have the opportunity to vote in the referendum on introducing congestion charging in return for £1.5 billion of Government investment in public transport. Many people support road pricing but do not support the scheme. Will the Prime Minister— *[Interruption.]*

Mr. Speaker: Order. Let the hon. Gentleman speak.

Mr. Leech: Will the Prime Minister— *[Interruption.]*

Mr. Speaker: Order. That was too long in the past, so do not put that accusation.

Mr. Leech: Will the Prime Minister ensure that in the event of a "No" vote the people of Greater Manchester will have the opportunity to come back with an improved scheme without the concern that the Government might take the money away?

The Prime Minister: I know that the voting paper has options for a "Yes" vote and a "No" vote, but I am afraid that there is no option for a "Don't know" vote. In the event of a "No" vote, it would be up to Greater Manchester authorities to decide whether they wanted to do further work on the proposals. The Government are in principle prepared to contribute, as the hon. Gentleman has said, up to £1.5 billion towards the Greater Manchester package, but that is dependent on the broad scope and nature of the package remaining the same. If Greater Manchester came back with a revised proposition, we would need to assess it on its merits.

Kate Hoey (Vauxhall) (Lab): The Prime Minister will be aware that this weekend South Africa will host the Southern African Development Community conference to discuss Zimbabwe and the atrocities in the Democratic Republic of the Congo. Will he continue to do all he can to ensure that the African leaders and the rest of the world realise that Zimbabwe, under the leadership of Morgan Tsvangirai, has resisted violence and stuck to peaceful and democratic means, and to ensure that that country is not sidelined because of what is happening in the DRC?

The Prime Minister: I welcome my hon. Friend's long-term interest in Zimbabwe issues. I gather that the Speaker of the Zimbabwe Parliament is with us in this building today. I am determined that the international

community act in a strong, united and decisive way on this issue. We have offered humanitarian aid—food aid going into Zimbabwe—but we regret that, despite all the discussions led by former President Mbeki, no agreement has yet been reached on the future of Zimbabwe and the personnel in the Government.

While we are determined to avoid a catastrophe in the Democratic Republic of the Congo—and we will take action as the Foreign Secretary said—by giving humanitarian aid and protecting civilians, and while Secretary-General Ban Ki-moon will visit the DRC in the next few days, a regional summit will be held to look further into this matter and a UN envoy will, I believe, be appointed very soon, I can assure my hon. Friend that we will not take our eyes off the humanitarian aid that we need to give to Zimbabwe and that we will not stop applying pressure for a political settlement that recognises the democratic will of the Zimbabwean people.

Mr. David Cameron (Witney) (Con): May I join the Prime Minister in paying tribute to the soldier from the Royal Gurkha Rifles who died in Musa Qala? We should honour his memory.

I join the Prime Minister in congratulating Barack Obama on his stunning victory in the American elections, and I also pay tribute to John McCain, not least for the gracious way in which he conceded. This really is an important moment—to have gone from the horror of segregation to the election of a black President in just four decades is an incredible transformation. It shows that the United States really is a beacon of hope, opportunity and change. I read this morning that the Prime Minister has sent a message to the President-elect; presumably it was not, "This is no time for a novice."

The Prime Minister: What I said was that serious times needed serious people. Once again, the right hon. Gentleman has proved that he is not serious.

Mr. Cameron: The Labour party—*[Interruption.]* You have made your strategic choice: it is called "more of the same" and it is sitting in front of you. You killed change when you bottled that election, and you buried change when you appointed Peter Mandelson.

Mr. Speaker: Order. The right hon. Gentleman should follow the traditions of the House; I am not responsible for these matters.

Mr. Cameron *rose—[Interruption.]*

Mr. Speaker: Order. Please be quiet and let the right hon. Gentleman speak.

Mr. Cameron: Back to the business in hand. This week, the European Commission said that Britain faces a deeper recession next year than the United States, Japan or any major EU economy. The Prime Minister kept telling us that Britain was better prepared to face the recession. In fact, we are the worst prepared. Why was he wrong?

The Prime Minister: That was the only time I have ever heard the right hon. Gentleman quoting the European Commission. I have to tell him that the reason we are better prepared than other countries is that we have had low interest rates for years; we are now getting inflation down and it will come down further next year; we have high levels of employment—higher than in almost every other major industrial country; and we can come through this. At the same time, corporate balance sheets are strong outside the financial sector, and they are not in the position that they were in when the right hon. Gentleman was the adviser to the Chancellor in 1992. I also have to tell him that we are taking the long-term decisions for this country—on nuclear power, energy, infrastructure and planning—but we are not supported by the Conservative party.

Mr. Cameron: The Prime Minister cannot hide from this: if we are better prepared, why is our recession forecast to be deeper? For years, he stood there reading out lists of countries that he told us we were beating. Yet according to the Commission, our recession next year will be worse than in Germany, France, Italy, Sweden, Spain, Greece or the United States. In fact, there are just two countries that we will do better than—Estonia and Latvia. They escaped the grip of Stalin; we are still in it. Just this weekend, the Prime Minister told people once again that Britain was "better prepared". Why did he get it wrong?

The Prime Minister: I said that Britain is better prepared because of the reasons I have just given the right hon. Gentleman. He does not understand that since we rejected his policies and made the Bank of England independent and took the right course, we have had 10 years of economic growth, 10 years of stability, and 10 years in which 3 million jobs have been created. The right hon. Gentleman wants to compare the recent figures for European Union member states: Germany was in negative growth in the second quarter, France was in negative growth in the second quarter, Italy was in negative growth in the second quarter, and Ireland is in negative growth. We were not in negative growth in the second quarter.

Mr. Cameron: The Prime Minister talks about his great decisions on the Bank of England; the terrible decision was to take it out of regulating the level of debt in the economy. Is not one of the reasons why our recession is predicted to be deeper that we have such high levels of personal debt? Will he confirm that we in fact have the highest level of household debt of any major economy? Does he not understand that we cannot build new Jerusalem on a mountain of debt?

The Prime Minister: If I can take debt overall in our economy—*[Interruption.]* The right hon. Gentleman usually likes to quote the International Monetary Fund, rather than the European Union. Let us look at debt levels in 2008: 37.6 per cent. public debt in the UK, compared with 55.5 per cent. in France, 56.1 per cent. in Germany, 101.3 per cent. in Italy and 94.3 per cent. in Japan. We have to look at personal and public debt together, and that is what we will do.

Mr. Cameron: The IMF repeatedly warned this Government about the high levels of both personal and Government debt. I do not know why the Prime Minister did not just agree with my question, because this is what he said to the Labour conference in 1995. *[Interruption.]* It is another quote, and perhaps Labour Members would like to listen to it. These were the great words of the leader. *[Interruption.]* Why do Labour Members not listen for a change? *[Interruption.]*

Mr. Speaker: Order. I want to hear what was said at the Labour party conference, because I am not allowed to be there.

Mr. Cameron: I do not know why the right hon. Member for Normanton (Ed Balls), was shouting, but it was almost certainly "Balls".

The Prime Minister said:

"I say to those who propose we simply tax, spend and borrow that it is because I care...about our responsibility to future generations that I tell you...we will not build the New Jerusalem on a mountain of debt".

The facts are that we have the highest personal debt of any country in the world, one of the highest budget deficits in the world, and our regulation system has failed. In fact it failed so badly that the Prime Minister's new Treasury Minister, Lord Myners, told the House of Lords this week that he wanted there to be a public inquiry into the regulatory failure. Can the Prime Minister tell us when we will have that public inquiry?

The Prime Minister: The Financial Services Secretary said no such thing, and I believe that the right hon. Gentleman is proving every time he speaks in the House that he is a novice in parliamentary procedure. When I referred to debt, I referred to low national public debt, and that is exactly what we have achieved since 1997 by reducing debt from 44 per cent. of national income to 38 per cent. this year. The Conservative party left us with higher levels of debt, and if the right hon. Gentleman wants to go back in history, he should remember his role as economic adviser to the Conservative Government when 3 million people were unemployed and, at the same time, we had interest rates at 18 per cent. As for borrowing, last week the shadow Chancellor said borrowing was the wrong approach. The Leader of the Opposition, however, said that borrowing

"is inevitable and you have to allow that to happen."

The only change they represent is that they change their minds every week.

Mr. Cameron: The Prime Minister says that I have in some way misrepresented what Lord Myners said. Let me explain exactly what he said. In the other place, Lord Lea asked him:

"If we are going to hold inquiries, do we not need a wider public inquiry?"

Lord Myners replied:

"My Lords, I agree with my noble friend."—[*Official Report, House of Lords,* 3 November 2008; Vol. 705, c. 16.]

That is what he said. *[Interruption.]* That is the whole thing. He said we should have a public inquiry, and we should have one. Is not the truth that in Britain people are losing their homes, small businesses are closing, unemployment is rising and manufacturing output is falling again and that, by refusing to hold a public inquiry, the Prime Minister is yet again demonstrating that he cannot provide the change people want? On the day the American people voted for change, are not people in this country entitled to ask how much longer they will have to put up with more of the same from a Government who have failed?

The Prime Minister: The reason why the American people voted for change is that—*[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: The reason why the American people have voted is that they want progressive policies. They voted for a fiscal stimulus, opposed by the conservative; they voted for a rise in minimum wage, opposed by the conservative; they voted for regulation of pensions and mortgages, opposed by the conservative; they voted for tax credits, opposed by the conservative. The truth is that the Conservative party's policies are rejected in America and in Britain by people who do not want to pursue them.

If the right hon. Gentleman will forgive me, on this day of all days, I believe that we should end this exchange by recognising the truly historic significance for America of the decision that has been made by the American people. They have demonstrated again and again the enduring strengths of their democracy and their values, and we will work closely with the new Administration, because their progressive policies are similar to ours.

Jim Dobbin (Heywood and Middleton) (Lab/Co-op): Like the banks, the energy companies need considerable regulation. What can my right hon. Friend do to control gas and electricity prices for my poor families and pensioners?

The Prime Minister: We have already raised the winter allowance for pensioners, and it will be paid in the next few weeks; that is £250 for the over-60s and £400 for the over-80s. We are already coming down hard on the gas and electricity companies so that social tariffs—that is, the same rate as last year—are available to many low-income families in this country. We are continuing to talk to the electricity and gas companies about how the £900 million levy that we charged upon them can be used to give greater help to people who are poor or low-income, and to families on modest incomes as well. We will continue to do what we can to help people through these difficult times.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I would like to add my own expressions of sympathy and condolence to the family and friends of the soldier from the Royal Gurkha Rifles who tragically lost his life in Afghanistan this week. Of course, I would also like, on behalf of all Liberal Democrats, to join in congratulating Barack Obama on his extraordinary victory as the new President of the United States, and to wish him luck, because the hopes and expectations that people have of him to change America and change the world are immense.

The Prime Minister just said that he shares lots of policies with the new President-elect, so he will be aware that the central policy that Barack Obama fought on in his election was to cut taxes for people on low and middle incomes, paid for by the very wealthy. Why will the Prime Minister not do the same here?

The Prime Minister: What Barack Obama did not fight on was a policy for £20 billion of public spending cuts, and that is the effect of the policy of the Liberal party.

Mr. Clegg: The fact is that this Prime Minister has fixed things so that a millionaire pays less in tax on their capital gains than their cleaner does on their wages. He is not learning from Barack Obama; he is copying the Conservatives, who want to cut more taxes for millionaires

and not give an extra penny to anyone else. So will he cancel his special tax breaks for the very wealthy to put more money into the pockets of hard-pressed families right now?

The Prime Minister: I think that the right hon. Gentleman is a bit behind the times. We raised capital gains tax from 10 per cent., and at the same time we took action on non-domiciles in the United Kingdom, but I have to remind him that a tax and spending policy must add up. If he is going to propose £20 billion of public spending cuts, he is out of touch with the British people.

Sir Stuart Bell (Middlesbrough) (Lab): Is it not 40 years ago that Martin Luther King said, "I have a dream", and was that dream not fulfilled in the election yesterday? Given that the Prime Minister will be in the United States on 15 November for a financial conference with President Bush, will he also take time to see the President-elect to discuss the many issues of foreign policy that we have together?

The Prime Minister: I am grateful to my hon. Friend, who undoubtedly underlines the significance of what has happened in the United States: more people voting than ever before; the first black President elected by the American people; and more young people engaged in political debate than ever before. I will continue my discussions with Senator Obama, the President-elect, and I hope to talk to him very soon.

Q2. [233008] **Mr. John Hayes** (South Holland and The Deepings) (Con): The Prime Minister knows that since 1997 opportunities to learn and skill in the workplace, in communities and in further education colleges have been restricted. He looks surprised, but Government figures show that numbers in FE colleges alone fell by 20 per cent. last year, and the National Institute of Adult Continuing Education says that 1.5 million places have been lost in adult education since 2005. Why has he so savagely cut adult education, when, given that Brown's bust means that more people will need to reskill and retrain, it is vital that we provide those opportunities?

The Prime Minister: There are more people in education than ever before. I hope that the hon. Gentleman will go back to look at the statistics, which show that the number of young people and the number of adults who have been benefiting from our courses since 1997 is far greater than was ever the case in the years before—we wish to continue that. One example of this is the apprenticeship, which is available to adults as well as to young people. We have trebled the number of apprenticeships in recent years.

Mr. Parmjit Dhanda (Gloucester) (Lab): President-elect Obama has consistently opposed the war in Iraq since 2002, and he has made it his stated policy to withdraw all US combat troops by April 2010. That is a very significant policy change. Does my right hon. Friend consider it a change in which we should all believe?

The Prime Minister: I announced in July that, as we completed our mission in Iraq, there would be a fundamental change in what our troops do in the first half of next year. We have, of course, completed a lot of work in training the Iraqi forces, and we will continue to do that until completion. We wish to pass control of the airport across to Iraqi authorities. We wish to help to speed up economic development in Basra, and we wish to see the local elections take place. We have moved from a role in combat to one of overwatch, and we will have a further fundamental change of mission next year.

Q3. [233009] **Mr. Bernard Jenkin** (North Essex) (Con): The Prime Minister keeps seeking to reassure home owners and small businesses by urging the banks to pass on rate cuts to their borrowers, but the Abbey National is putting up its lending margins today. Why does he keep making such meaningless reassuring noises, when he cannot even persuade his own banks—the ones he owns—to pass on their rate cuts?

The Prime Minister: First, we do not own the Abbey National bank; it is owned by Santander. The second thing that I must point out to the hon. Gentleman is that interest rates have been cut from 5¾ per cent. to 4½ per cent, and the Bank has said that there is more scope for interest rate cuts. May I explain to the Conservatives what we have been trying to do in the past few weeks? We have been trying to get the liquidity into the system, recapitalise our banks and then get them to resume the lending that is necessary. The LIBOR has decreased from 6.25 per cent. to 5.25 per cent. We are starting to make progress, but I agree with what he says: that we want the banks and building societies to pass on the interest rate cuts to their mortgage holders.

Mr. Elliot Morley (Scunthorpe) (Lab): Does my right hon. Friend agree that the President-elect's inspirational address identified a number of key objectives, one of which was to help "a planet in peril"? Does my right hon. Friend agree that this time of economic downturn is one in which to invest in infrastructure for a low-carbon future, both in the public and private sector, and to work with the new US Administration on a new green deal that would benefit us all?

The Prime Minister: That is exactly what we want to do. We are committed to an 80 per cent. cut in carbon emissions by 2050. I believe that the policy is similar to that of the incoming US Administration. We want to work together towards an agreed solution in Copenhagen next year. We recognise that there are benefits in jobs, as well as in reductions in carbon emissions. That is why a new deal for the environment in America and Britain can create thousands of jobs for people in both continents.

Q4. [233010] **Mr. Graham Brady** (Altrincham and Sale, West) (Con): The Prime Minister has guaranteed British savings in the Icelandic bank, Icesave. When will he do the same for the 1 million blameless people who have seen their pensions savings decimated in Equitable Life?

The Prime Minister: We had a report by the ombudsman and there will be a statement on that soon

Q5. [233011] **Ms Angela C. Smith** (Sheffield, Hillsborough) (Lab): More than 70 Members have signed early-day motion 2189 calling for the inclusion of the marine Bill in this year's Queen Speech. Will the Prime Minister assure us that the Bill will be included and that it will give adequate protection to our marine wildlife?

The Prime Minister: I know that my hon. Friend has taken a great interest in these matters. We are discussing them with the devolved Administrations to deliver a coherent approach across the United Kingdom. The Government continue to prepare the Bill for introduction early in the fourth Session and do not intend to reduce its scope or coverage.

Q6. [233012] **Mr. Gerald Howarth** (Aldershot) (Con): Does the Prime Minister accept that when Major Morley was forced to deploy his troops in Snatch Land Rovers, he was given no choice, contrary to all the ministerial assurances given to commanders in the field that they would have whatever equipment they required?

The Prime Minister: That was a sad incident involving the deaths of young people serving our country. However, in recent years, we have done our best to provide the necessary equipment. We have spent more than £1 billion on new vehicles for operations. In 2006, we ordered 108 Mastiffs and, in 2007, took steps to increase vehicle numbers. We ordered 150 Ridgbacks and the first Jackals as part of a constant review of capability. In June, operational commanders were asked by the Defence Minister to look again at our vehicle options. More armoured vehicles were decided upon, and last week we were able to announce the purchase of nearly 700 vehicles and an upgrade of more than 200 vehicles. That is a total of 1,200 new vehicles, and that is why the Conservative Chairman of the Defence Committee said:

"The personal equipment that our Armed Forces now have is better than it's ever been."

Mr. David Winnick (Walsall, North) (Lab): Is my right hon. Friend aware that those of us who are pro-American hope that the very welcome result of the presidential election will result in the United States regaining the respect of the international community? When the new President-elect takes office next year, I hope that one of the first steps he will take will be to end the torture of political prisoners. That would be a very welcome step.

The Prime Minister: The President-elect has promised to close Guantanamo Bay, which would be a major step forward.

Q7. [233013] **Mr. Nick Hurd** (Ruislip-Northwood) (Con): Up to £200 million given by the public to charities has been frozen as a result of the banking crisis. Will the Government introduce measures to support that vital sector before it has to start cutting services to the people most vulnerable to a deep recession, for which the Prime Minister has prepared us so badly?

The Prime Minister: I, too, want to do my best to help charities. We created Gift Aid, which allowed them to get very considerable relief, and over recent years we have given substantial money to work in partnership with charities. Of course, we will consider anything that helps to protect the charitable sector, and we are already considering a number of measures through which to do so.

Q8. [233014] **Mr. Dennis Skinner** (Bolsover) (Lab): Does the Prime Minister agree that it is quite remarkable that, after the economic tsunami lapped the shores of every continent, countries of the left, right and centre—*[Interruption.]*

Mr. Speaker: Order.

Mr. Skinner: Is it not quite remarkable that Governments of the left, right and centre have adopted our policy of taking over banks and recapitalising them? We are fixing not only our own roof here in Britain, but roofs around the world.

The Prime Minister: We are doing our best to work with other countries. One of the reasons I went to the Gulf was to talk to other countries about how we can better prepare for the future. The Conservative party opposed all our measures on Northern Rock, and on the banking crisis and HBOS. The shadow Chancellor opposed what we did on share speculation. Conservative Members also opposed what we did on regulation—they wanted deregulation. They have no answers to the problems facing the country.

Mr. Stephen Dorrell (Charnwood) (Con): Does the Prime Minister agree that it would be an absurd dumbing down of the principle of democracy if last week he felt himself able, quite rightly, to express his views about the antics of Russell Brand and Jonathan Ross as employees of the independent BBC but felt himself unable this week to express his views about the increasingly obvious fact that the independent Bank of England has moved too slowly and by too small a margin to reduce interest rates?

The Prime Minister: May I just quote back to the right hon. Gentleman what the shadow Chancellor said when the Bank of England was made independent? He said that it was independent to make its decisions, and that is the way that it should be.

Q9. [233015] **Barry Gardiner** (Brent, North) (Lab): The whole House was delighted by the commitment made by my right hon. Friend the Secretary of State for Health to ending prescription charges for all cancer patients, but there are other long-term patients who want to know whether the Government will extend that to them as well. Will the Prime Minister adopt a phrase from Senator Obama and say, "Yes, we can"?

The Prime Minister: We are committed to greater fairness in the NHS, and we know the worries of people who have long-term illnesses. We have agreed to abolish prescription charges for all cancer patients next year, and we are committed to abolishing charges for everyone with a long-term condition as we deliver savings in the drugs budget over the coming years. *[Interruption.]* The Conservatives are clearly not interested in the future of the NHS. We created it, and we are interested.

Mr. Andrew Pelling (Croydon, Central) (Ind): In what way does the Prime Minister expect the nature of the special relationship with America to change under President Obama?

The Prime Minister: We have worked very closely with America over the past few months on the economic crisis. President Bush has called the leaders' meeting in Washington, and there has been a co-ordinated cut in interest rates, led by the central banks of America, Britain and Europe. I believe that, over the next few months, we will have to work even more closely to deal

with the international and national repercussions of what is happening in the economies of the world. Senator Obama has already indicated that he wishes more co-ordinated global action on these matters, and I believe that we will be able to work together very closely and lead the world in taking us through these difficult times.

Speaker's Statement

Mr. Speaker: I wish to make a statement about the two minutes' silence.

As the House will know, next Tuesday is 11 November, Remembrance day. Although this House will not be sitting at 11 o'clock, the parallel Chamber in Westminster Hall will be sitting, and right hon. and hon. Members, their staff and officials in the House will also be attending to their duties at that time. I regard it as appropriate that we should join the nation in observing the two minutes' silence at 11 o'clock, so that we might remember those who gave their lives for their country and to help preserve our democratic freedoms.

I should be grateful if those responsible for chairing Westminster Hall and any other Committees at that time would make appropriate arrangements. Instructions will also be issued to heads of House Departments so that those members of staff who wish to observe the two minutes' silence will be enabled to do so.

Sale of Registration Marks (Amendment)

12.33 pm

James Duddridge (Rochford and Southend, East) (Con): I beg to move,

That leave be given to bring in a Bill to remove restrictions on the format of vehicle registration marks; and for connected purposes.

The Bill is deregulatory, revenue-raising and populist. It would give people the ability to choose from a much wider variety of letter and number combinations on their licence plates, which would mean that it was possible to purchase a licence plate that spelt out a word exactly as it reads in the English language. The Bill would give people greater choice and bring in additional millions of pounds for the Driver and Vehicle Licensing Agency.

I shall outline the background to registration plates, demonstrating that the change is very much in keeping with previous changes, and the type of numbers that could be sold under the Bill; examine the enormous amount of money that would be raised and how some of it could be spent; and deal with some of the valid objections to the Bill, which I believe can be overcome.

Vehicle registration licence plates were introduced in 1903, both as a road safety measure and a revenue-collecting measure. Things developed quickly, from counties allocating numbers—for example, Lancashire allocated A1, A2, A3 and so on—to the need for larger numbers, such as AA1, AA2 and AA3. It was only in 1970 that the DVLA was created and all number plates were centralised.

There have been many changes, the most significant of which may have been in 1989, when a much wider range of letter and number combinations was made available. That was a truly innovative move, but looking back, we can see that it may have been far too cautious. The Bill builds on the work of 1989 and the work of Ministers subsequently.

I shall give some examples of plates that are sold at present and plates that could be sold, so as to compare the two. At present, if I had the money and there was a seller, it would be permissible for me to buy E5 5EX—Essex—but not ESSEX. It would be permissible for me to buy JPD1, but not JPD. I could buy J4 MES, but not JANES, or S44 FND—Sarfend—but not SOUTHEND in full, which seems completely ridiculous. There could be commercial uses, such as ASDA 1, ASDA 2 or ASDA 3 on lorries. Plumbers could advertise, and there are a number of other examples.

I have consulted widely on the Bill and I particularly thank Richard Kitchen, the policy director of the DVLA, the Department for Transport and a large number of ex-Ministers. In fact, most of the people sponsoring and supporting the Bill are ex-Ministers who speak fondly of some of the modest changes they would have made to deregulate the marketplace. They all told me they wished they had done more at the time—[Hon. Members: "Ah."] I shall come to that.

I have spoken to the police, the Association of Chief Police Officers and manufacturers of automatic number plate recognition systems, and I shall deal with some of their objections. I have also spoken to the Cherished Numbers Dealers Association—a very good organisation—and, crucially, Roger Williams, who was

[James Duddridge]

very helpful, particularly in the early stages. He was one of the DVLA officials who advised former Ministers and he has been instrumental in helping me to develop the Bill, as have other driving organisations such as the AA and members of the CNDA, who both sell registration plates as intermediaries and buy them as investments. I thank the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), with whom I have discussed these matters. He is already working on similar issues and I hope the Bill gives him further encouragement to be bold, release a large range of numbers and raise a large amount of money.

The House of Commons Library has set out the amount raised since 1989: £1.3 billion. Last year, more than 250,000 registration plates were put on the marketplace, raising £87 million. They tend to be sold by auction, and the September auction raised about £3 million. Some of that money is spent on DVLA costs and administration, and the rest goes to the Treasury. Organisations such as the AA have suggested that some of the additional money raised under the Bill, which could be as much as £1 billion over the next 10 years, should be used for road safety measures and to deal with some of issues relating to automatic number plate recognition that I shall address.

The original business case in the lead-up to the 1989 change anticipated that a break-even figure of £250,000 would be raised. Single registration plates already raise that amount, and I suspect that we could raise significantly more than even my quite big estimate of an extra £1 billion over 10 years. Online sales are growing at a dramatic rate; ebuymotors.co.uk reported a 23 per cent. increase in sales in 2007, so we are talking about a big marketplace.

I hope that my Bill is not opposed, but I want to talk about some of the potential objections to it, so that we can see how they could be dealt with. The DVLA went through my objections with me, and put them in the category of objections that could, and needed to be, dealt with before we could progress. However, there is an appetite to make progress. By far and away the most serious considerations are those raised by ACPO, the police, the security services and the Home Office about automatic number plate recognition, which is used to counter terrorism. Those problems must be overcome before the Bill progresses.

About 95 per cent. of numbers can be recognised by automatic number plate recognition. It is difficult technology if the car is dirty, if the font has been changed in any way, if a reflective material has been put on the plate, and if the screws are in the wrong place. Crucially, my Bill does not say that we should change anything in the manufacture, construction, design, font or display of number plates, except that it would remove the space. That would allow cherished number plates such as S44 FND to have no space in them, as a space would mean that they lost some of their value.

The objections need to be overcome, but there is a lot of money in the pot to deal with them. Some of the money should go not to the Treasury or the DVLA, but to the automatic number plate recognition people, who would then work alongside the Home Office to sort out some of the problems. That would be good for road safety and for counter-terrorism measures. The 5 per cent. of number plates that cannot be recognised are partly owned by people who are trying to be a bit flashy with their number plates, but that disguises the existence of slightly more sinister individuals—potentially terrorists or more serious criminals.

It has been pointed out to me that our number plates are recognisable around Europe, but they will still have the yellow background and the Union Jack. I think that the Minister has received representations about our using other flags, too. The Department for Transport and the Cherished Numbers Dealers Association have pointed out that there is a recession, and that sometimes number plates are the first thing to be sold, or not bought, in a recession. That may affect the timing of the roll-out of the Bill, but it should not affect the Bill or the principle behind it. There is the issue of rude and offensive language on number plates, but that issue is there already, and it is dealt with satisfactorily.

There are costs associated with the changes; the DVLA estimates them at about £20 million. That seems a lot of money, but even so, the number plate 51 NGH, which is close to spelling "Singh", was just brought on to the market, and it went for more than £250,000. MR 51NGH and DR 51NGH, or the equivalents in the currently legal plates, will probably go for similar amounts, so we are looking at raising almost £1 million without even having sold 51NGH as a number plate. Given what could be done, £20 million is really quite a small number.

It is also pointed out that there could be confusion between J4 MES and JAMES, but there could be that same confusion between A and 4 in normal number plates. That is not a major issue for number plate recognition. In fact, people who have such number plates want to be recognised, and that will make the numbers more easily recognised. There is also the issue of existing investments. It is important that we drip-feed registration plates into the marketplace; JAMES should not be sold in the same year as J1M, J1MMY or J1MBO, just as the introduction of the 51 NGH plates has been delayed over time.

We are not talking about rich people. In times of recession, perhaps we should be thinking of those who are less well-off, but we have to remember that, in a way, we are talking about a form of voluntary taxation. If someone wants to pay £300,000 for JAMES, that is absolutely acceptable.

There are a number of other points that could be raised, but this is a good Bill, and I am sure that the Minister will want to take it forward. I recommend it to the House.

Question put and agreed to.

Bill ordered to be brought in by James Duddridge, Dr. Stephen Ladyman, Sir George Young, Peter Bottomley, Mr. Christopher Chope, Mr. Andrew Smith, Richard Ottaway, Mr. Alistair Carmichael and Sir Malcolm Rifkind.

Sale of Registration Marks (Amendment)

James Duddridge accordingly presented a Bill to remove restrictions on the format of vehicle registration marks; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 14 November, and to be printed [Bill 159].

Work and Welfare

12.44 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Kitty Ussher): I beg to move,

That this House has considered the matter of work and welfare.

It gives me great pleasure to move the motion and open the debate about work and welfare this afternoon. It is an important subject for debate, and I look forward to the contributions of hon. Members from all parts of the House. At the outset, I must apologise, because I may have to slip away just before the end of the debate, owing to a personal commitment, but I shall be here until at least 5 o'clock. I hope that that apology is accepted in the spirit in which it is intended.

The relationship between our welfare policies and the number of people in work is critical for our Government, and inevitably at a time of global economic turbulence, it is an issue that will be in the minds of many constituents throughout the country. I shall say a few words about the policy journey that we have been on over the past few years, followed by a few words about our future direction of travel and, finally, the extent to which the current economic circumstances are relevant.

When we came into government, we inherited a largely passive benefits system that rewarded people for not seeking work. Everybody knew that the overall effect of the previous Government's policies was, in many cases, to push people away from the labour market on to incapacity benefit and then to leave them there—a one-way ticket to dependency. Not only was it bad for the taxpayer and the economy, but most crucially, it was devastating for the individual who was capable of far more, with confidence destroyed, potential unrealised and poverty entrenched for them and for their families. Our task over the past 11 years has been to transform that inactive welfare state into an active one.

Starting with the new deal, we embodied the idea that rights entailed responsibilities, and, in return for extra support, young people were expected to take up jobs or training or see their benefits cut. It was the beginning of the end for the idea that people could sit at home and claim benefits if they were able to work and had a job—and it worked. Long-term youth unemployment has been virtually abolished, so we extended the policy to lone parents, new claimants of incapacity benefits, older people and disabled people, and now, as the Green Paper that we published in July outlined, we are considering others, too, including those on long-term incapacity benefit, one quarter of whom have been on it since the Conservative years. The increase in employment is not entirely due to those targeted and personalised support measures, because a buoyant macro-economy has of course helped, but nobody doubts that they have made a significant difference, with our successful system of active support contributing to a fall of almost 1 million in the number of people claiming a key out-of-work benefit since 1997.

The new deal has helped almost 2 million people into jobs, and our incapacity benefit pilot, pathways to work, has already helped more than 94,000 people off incapacity benefit and into work. Overall, as a result of our welfare reforms and the successful management of the economy since 1997, the number of people in work has gone up by about 3 million, employment is up in every region and country of the United Kingdom, International Labour Organisation-defined unemployment has fallen by 260,000 and claimant unemployment has fallen by 680,000. In the past year, the number of people on incapacity and lone-parent benefits combined has fallen by more than 70,000.

So far, so good, but the question before us today is: what comes next? We need to build on that success to unleash the potential of more of our people, where it is appropriate to do so, and as I shall come on to argue, that is more important, not less so, in a downturn.

Mr. Mark Todd (South Derbyshire) (Lab): Might one area on which my hon. Friend reflects be the disregards offered to people who take up part-time work and are currently in receipt of a benefit to encourage them to take the first few steps into work, which might build towards more permanent and substantial employment?

Kitty Ussher: We already try to help and support people in those circumstances, through the provisions on the permitted number of hours and through our linking policies. We are also examining ways in which we can improve on that position in the future. In some parts of the country, we are conducting what we call in-and-out-of-work pilots, to see what more we can do with the benefit support system to encourage people who are on that cusp, facing that marginal call on whether to work. The thrust of my hon. Friend's question is entirely right.

Mark Williams (Ceredigion) (LD): Will the Minister's Department reflect on the availability of written information and on the use of the Department's website to highlight the problem that the hon. Member for South Derbyshire (Mr. Todd) has just mentioned? There have been cases in my constituency of people in the position mentioned being unaware of the provisions and of the possible effect on their benefits, or indeed on their enthusiasm to return to work.

Kitty Ussher: We always try to do everything that we can to ensure that people understand the system. It is complex in some areas, and one of the purposes of this stage of our reforms is to try to reduce that complexity. Perhaps I can take the opportunity provided by the hon. Gentleman's question to advertise the "Find your way back to work" leaflet, a copy of which has been sent to all MPs. It has been approved by the Plain English Campaign, and I hope that it will provide a useful starting point to anyone in that situation.

In July, we published a Green Paper on the future direction of our welfare to work policies. The consultation closed a fortnight ago and we are currently considering our response, and the need, if any, for legislation. In a nutshell, we intend to enshrine in legislation our commitment to eradicate child poverty—the biggest obstacle to individual achievement for this generation and the next—by 2020. To pick up on the point raised by the hon. Member for Ceredigion (Mark Williams), we intend to simplify the benefits system to ensure that it offers the right support, and to develop a personalised programme of help for everyone on benefits who can work, and greater support for those who cannot. We want to increase targeted support and activity for the groups most at risk from exclusion from the labour

[Kitty Ussher]

market, and to provide disabled people with greater control over their budgets for the services that they use. We want to devolve power and responsibility to individuals, communities and suppliers, to tailor services to local priorities, local economies and local needs, and to boost support and advice to help people to stay well in work.

John Penrose (Weston-super-Mare) (Con): The Minister has just given us a list of the steps that the Government are planning to take. Will she also tell us whether the Treasury has been liaising with the Secretary of State for Work and Pensions to discuss any contingency plans to alter, if necessary, the budget for the flexible new deal programmes, in the event that unemployment—and the bill for unemployment benefits—should start to rise significantly?

Kitty Ussher: Those conversations are constantly taking place. A large amount of planning is currently being rolled out to ensure that, as demand for our services rises, which, of course, it will in an economic downturn, we have the appropriate response available to ensure that everybody gets the tailored help that they need. We will make sure that that happens.

I shall turn next to the flexible new deal. Critical to our next phase of support is the concept that the longer someone stays on benefit, the more support they need. Since 1997, long-term claimant unemployment has fallen by more than three quarters, and nine out of 10 recipients of jobseeker's allowance leave the benefit within a year. Only 100,000 people are claiming JSA for a year or more. By definition, however, those who remain have the largest hurdles to surmount, so of course they should be getting the greatest support. From 2009, we will be introducing a reformed JSA and a so-called flexible new deal, targeting our resources in clear stages at those who need it the most.

First, there will be a screening for basic skills when someone has their first interview for benefit with Jobcentre Plus. Where there is an obvious gap, they will be referred for help to the local skills services. We will record that and pursue their actions as the claim lengthens. We are also taking the power to make skills training mandatory at the appropriate time. After three months and six months, claimants will be expected to intensify their job search activity, and to comply with a challenging back-to-work action plan, including a skills health check and appropriate training. If they are still on JSA after 12 months, jobseekers will be referred to a private, public or voluntary sector provider, who will be paid by results, and who will offer at least four weeks of full-time activity. For those who are still on JSA after two years, we will expect even more, and we have been consulting on full-time work programmes for the long-term unemployed.

Lynne Jones (Birmingham, Selly Oak) (Lab): I very much support the flexible approach to the new deal. Given the current economic climate, however, and today's news that the Engineering Employers Federation in Birmingham is receiving 40 calls a day from employers seeking advice on making workers redundant or reducing their hours, would it not be a good idea to accept the advice of the Social Security Advisory Committee that we should not implement the regulations that will make it compulsory for more lone parents to sign on for work, at least until the recommendations on comprehensive, wrap-around child care have been implemented?

Kitty Ussher: I understand the difficulties that my hon. Friend's constituents are facing; she makes a valid point. However, I do not agree with her conclusion. The lone parents regulations were approved by the House last week, and they are currently being considered in another place. We would be making a terrible mistake—a mistake that was made by the Conservative Government in the previous downturn—if we did not keep as many people as possible as close as possible to the jobs market at a time when there is a net effect of people leaving work, so that, when things turn around, they are ready to take the opportunities that are available to them. The longer that people are away from the jobs market, the harder it is for them to return to sustainable employment, if that is appropriate to their needs.

We have changed the regulations on lone parents and child care. Once they have been fully implemented, if a lone parent with a child of seven years of age or older cannot find appropriate child care that would allow them to take up a job offer, that will be considered all right and they will not face sanctions as a result. There is a kind of feedback loop between the Jobcentre Plus and the local authority, in the form of a child care partnership manager, to ensure that the legal obligation that local authorities now have to provide appropriate child care for everyone seeking work is adhered to in practice, and that there is an understanding of where more child care places could be made available. We believe that we have met the concerns of the Social Security Advisory Committee in that regard, which is why we are pressing on with those measures.

Lynne Jones: I thank my hon. Friend for that response, but will she assure me that Jobcentre Plus will have the capacity to deal with these increased work loads and that it will be flexible in how it operates? I encountered a case recently of a man who was working 14 hours a week and who hoped that his employer would increase the number of hours that he worked. However, it was demanded that he sign on during the very hours that he was at work, which caused all sorts of difficulties with his employer. We must ensure that there is flexibility in such situations.

Kitty Ussher: Our staff have been trained to deal with the new regulations, which are being rolled out in a phased way precisely so that there will not be a capacity constraint on our side. Obviously, I do not know the specific details of my hon. Friend's constituent's case, but if she would like to write to me, I will certainly look into it for her.

In addition to introducing the flexible JSA, we are also building on the success of the pathways to work pilots for those on incapacity benefits with the new employment and support allowance that was introduced last week. The ESA is just for new customers at the moment, but over the next few years, everyone who is currently on incapacity benefits will be moved on to the ESA. Each will receive a work capability assessment, focused on what they can do rather than what they

cannot, as was the case in the past. Some people will presumably no longer qualify for incapacity benefits, and they will move on to JSA, getting all the support that that entails.

The rest will qualify for the ESA, and will be placed either in what we call the work-related activity group or in the support group. In the work-related activity group, individuals will receive personalised support, which crucially includes the highly successful condition management programmes delivered by condition management practitioners, to move them closer to the job market. The support given will build on learning from the positive experience of the pathways pilots, which I have seen at first hand in my own constituency. In one example, a constituent of mine told me that, as a result of the pilots, he had been given his life back. We want far more people to be given their lives back. The pilots have been shown to increase the chances of a new customer being in work 18 months after the claim was made from 28 per cent. to 35 per cent.

As we have just discussed, the House has recently approved regulations to give lone parents with children aged seven and over full support to prepare for and move into work in return for signing up to a jobseeker's agreement. As I said, nobody will be forced to take up work if no child care is available, but I see no reason why, as a point of principle, lone parents should not be available for work while their children are at school. A quick glance at the child poverty statistics should put the issue beyond doubt. More than a third of children in lone parent households live in poverty; 58 per cent. of children living in workless lone parent households live in poverty. That figure decreases from 58 per cent. to 19 per cent. if the lone parent works part time, and to 7 per cent. if the lone parent works full time. That is why we are doing what we are doing.

In recognition of the particular logistical challenges faced by lone parents when they consider entering the labour market, however, we have adapted the existing JSA provisions to ensure that they support people effectively. Lone parents can restrict their availability to 16 hours a week, and they have more time to attend interviews and take up a job offer. Furthermore, they can cite without sanction unavailability of child care as a reason not to take up employment.

Child care has doubled since 1997—the number of places is approaching 1.3 million—and local authorities have the legal responsibility to secure, when practicable, sufficient child care to meet the requirements of parents in their areas. Furthermore, 14,230 extended schools in England offer affordable school-based child care on weekdays between 8 am and 6 pm all year round, and child care partnership managers at Jobcentre Plus provide a feedback loop to local authorities on whether sufficient places are available, so the issue is far less of a problem under this Government. We will take legislative powers to apply similar provisions, with appropriate support, to non-working parents who are partners of people who are working.

Andrew Selous (South-West Bedfordshire) (Con): I hear the Minister's figures on child care, but is she aware that child care places fell by 2,000 in England last year? There is the most tremendous churn, which is worrying to parents, particularly those with young children. Parents need stability.

Kitty Ussher: It is extremely important for people to have certainty, but the most important thing is that there should be enough places for the need to be met in each individual area. I have not mapped the extent to which the supply of child care places is related to the demand in individual areas, but we will continue to make sure that the policy is rolled out and effective. Our child poverty targets require us to do so, and in many circumstances it is the best thing for the entire family unit.

John Penrose: I urge the Minister to carry out urgently that mapping of supply and demand. She will be aware that although there are more child care places today than five years ago, there is a large number of vacancies. That illustrates a problem—an awful lot of child care is provided at the wrong time of day, on the wrong day of the week and at the wrong price and quality for parents to be able to access what they need when they need it. The state often provides something that is not suitable for what a great many parents who need access to the correct type of child care really require.

Kitty Ussher: The hon. Gentleman has referred to a number of broad so-called facts. We have decided to put the onus and legal requirement on to local authorities to ensure that sufficient child care is available in their areas. The process will be iterative. If he can see particular lack of supply in a particular area, he should raise that with the local authority. We are ensuring, with Jobcentre Plus, that there is a continuous feedback loop so that if a lone parent or any parent says, "I cannot take that job because no child care is available", they will be challenged by the Jobcentre Plus adviser. If what the parent says is accepted, the local authority will be challenged by national Government. We are doing what the hon. Gentleman suggests on an ongoing basis. There is no doubt that far more child care places are available now than 10 years ago, because we have grasped the issue and are doing everything we can to ensure real choices for parents as they decide how they wish to organise their lives.

Finally, I want to say a few words on what the current economic situation means for the direction of our welfare reform. To those who say that we should surrender to the tides of the current economic situation and relax our direction of travel I say that we will not give up on the people of this country, who rightly expect us to support them through these difficult times. Yes, unemployment is rising—there is no denying that. The number of people claiming jobseeker's allowance has been rising since the beginning of 2008, with the last figures going up by just over 30,000.

That increase is the net result of 260,000 people entering claimant unemployment and nearly 230,000 people leaving jobseeker's allowance. The situation is dynamic. Even in these difficult times, people are leaving unemployment to restart work. Every working day, Jobcentre Plus helps 5,400 people into work. Furthermore, people are leaving unemployment faster than they used to—a direct result of the more active, supportive regime developed for jobseekers. Although the numbers starting to claim JSA have risen and may rise further, our aim is to help as many people as possible find their next job as quickly as possible.

In an economic slowdown we need to do more, not less, to keep people as close as possible to the labour market. According to the latest figures, there are 600,000

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vacancies in the economy right now. We want to prepare everyone to get those jobs and we want more people to get more jobs as more jobs become available. That means having active labour market policies keeping more people as near as possible to work-related activities. The alternative is to let people sink.

Unlike the last Conservative Government, we are not shifting people away from the labour market to get them off the books and make unemployment look lower than it is—quite the opposite. We are moving people closer to the jobs market and more people on to JSA, because more people will then have more opportunities to leave JSA and go into work. Other things being equal, we estimate that our reforms to lone parent benefits will increase the JSA count by about 80,000 by 2010-11. Our reforms to the ESA will also add several thousand each year in the next two to three years, before any effects of the economic downturn are taken into account.

We need to learn the lessons from previous slowdowns and from overseas. They are: first, to increase support and not relax conditionality; secondly, not to move people on to inactive benefits; and thirdly to maintain efforts to reduce inactivity. We are not giving up. We are not surrendering to the doom and gloom merchants who say that the force of economic change means that we should leave people to perish in the storm. We are holding true to our aspiration of an 80 per cent. employment rate and standing by our commitment to ensure that by 2025 disabled people are respected and included as equal members of society.

Mark Williams: The Minister mentioned people with disabilities. Is she satisfied that the arrangements for them are robust enough? I am thinking particularly of conditions such as autistic spectrum disorders. Is she satisfied that Jobcentre Plus staff have the capacity to help such people navigate their way through the system? She has talked a lot about identifying skills deficits early on, but I have mentioned a special group of people who need added assistance to work their way through the system. Can she reassure us that that support is there and will proactively help such people get nearer the job market? She used the expression "doom and gloom merchants", and I do not want to be one of them; not many Opposition Members do, but we want to ensure that those people have maximum access and support.

Kitty Ussher: The hon. Gentleman raises an important point, and I think that I can reassure him. We are training our staff extensively and in conjunction with excellent organisations such as the National Autistic Society to ensure that the expertise is at the front line.

Mark Williams *rose—*

Kitty Ussher: I shall give way one more time, and then I will conclude.

Mark Williams: How widespread is that support? In my constituency, the charity Autism Cymru contacted Jobcentre Plus on its own initiative to give the staff there that specific training. How widespread is such support in all Jobcentre Plus offices across the country?

Kitty Ussher: We are working with such organisations nationally and we are rolling out the training in conjunction with them. If Autism Cymru gets in touch with us, we will ensure that any of its extra insights are incorporated nationally and locally.

I was explaining that we are standing by our commitment to ensure that by 2025 disabled people are respected and included as equal members of society. Furthermore, we are still committed to eradicating child poverty by 2020.

We believe that while we must support the most vulnerable, there is no automatic right to a life on benefits, that paid work is the best route out of poverty, and that each of us has a role to play in contributing to the society that we live in. Equally, however, we believe that no one should be left behind, and we will provide personalised support to everyone who needs it to ensure they have the opportunity to get into and remain in work. When jobs are harder to find, it is even more important that we help people to prepare for work with practical advice and support. Our welfare reform proposals are about changing the system to offer that support to people looking for work.

To conclude in a sentence, our direction of travel is right in the bad times as well as the good, and I look forward with interest to the contributions of all hon. Members who have chosen, despite some alternative attractions, to be with us today.

1.10 pm

Mr. Mark Harper (Forest of Dean) (Con): This debate on work and welfare is most welcome in the light of the current very difficult economic circumstances facing our country. The economy has slowed substantially in the past quarter and, according to the conclusions of the recent Ernst & Young ITEM Club report, "Out of the financial frying pan, into the fires of recession", it is likely to contract further in the coming months. Many people have already lost their jobs, and there is great anxiety among many others in all areas of the country that a similar fate might await them. Although the Minister failed to use the "recession" word, it has been used by the Minister of State, the right hon. Member for Harrow, East (Mr. McNulty). We are facing very difficult economic times, and these issues will increase in importance over the coming months. It is therefore right that the House debates them today and it will no doubt do so on a number of occasions in future.

It would be interesting if the Minister or the Under-Secretary told us who are the doom and gloom merchants saying that we should leave people to sink or swim by themselves. I do not know of anybody in this House who is suggesting such a thing.

It is a shame that the hon. Member for Cardiff, Central (Jenny Willott) has not been joined by the hon. Member for Edinburgh, West (John Barrett), the Liberal Democrat spokesman on disability issues. He recently said that having been in the job for only nine months he was on a "strict learning curve", and was

"the first to admit that I've got a lot to learn."

He said that he hoped that we were not facing an immediate election and that the Liberal Democrats would have time to develop some policies between now and then. I am sure that everyone in the House wishes them good luck in that endeavour.

The unemployment figures released last month by the Office for National Statistics made grim reading. It is disappointing that the Minister failed fully to face up to the scale of the problems that we are presented with. In the last quarter to August, there was a rise of 164,000 in the number of jobless on the internationally comparative basis that the Labour party used when it was in opposition. The unemployment level was 1.7 million and, as the Minister said, the number of people claiming jobseeker's allowance increased by 32,000 in September—the eighth consecutive monthly rise and the highest figure for almost two years. The dole queues are lengthening by more than 1,000 people a day. The Minister's remarks suggest that there is a great deal of complacency in the Government's approach: saying, "So far, so good", is not a conclusion that I would agree with.

Nia Griffith (Llanelli) (Lab): Perhaps the hon. Gentleman could explain why his party is so opposed to additional borrowing when it is clear that it will provide additional jobs. it is absurd to say that the Government are being complacent in undertaking that borrowing, and it explains why we are hearing words such as "doom and gloom", which is exactly the image that the Conservatives project when they suggest that we should not borrow because they do not want job opportunities to be created for people in this country.

Mr. Harper: I am grateful to the hon. Lady for raising that. My right hon. Friend the Leader of the Opposition and my hon. Friend the shadow Chancellor have acknowledged that in a recession the automatic stabilisers in the economy mean that borrowing will rise. However, they oppose a programme of deliberately spending money on public works programmes and putting up taxes. As my right hon. Friend said earlier today, the Prime Minister himself said at a Labour conference that one does not build the new Jerusalem on a huge debt burden. Spending a fortune and racking up debt that our future generations will have to repay is not a very sound economic policy, nor is it one that will be successful.

Kitty Ussher: If that is the hon. Gentleman's view, which of our current spending policies would he reverse?

Mr. Harper: We are not talking about current spending policies—we are talking about the future policies that the Minister and her Government imply they will introduce. We have not seen any details, but it will be interesting to see them in due course.

Sammy Wilson (East Antrim) (DUP): Does the hon. Gentleman agree that job creation is not simply about public spending but about easing the burden on small businesses, which are the real job creators? The policies being followed by the Government are making it much more difficult for small businesses to do that. If we are going to find ways of re-channelling those who are unemployed, there must be a good, strong small business sector.

Mr. Harper: The hon. Gentleman makes an excellent point. Businesses, particularly small businesses, are the engines of job growth. The Government should focus on allowing good businesses to succeed, perhaps by adopting some of our sensible insolvency proposals, and supporting small businesses instead of increasing borrowing and taxing them, which will drive jobs out of the economy rather than into it.

In response to the hon. Member for Llanelli (Nia Griffith), I should point out that it is not the Conservatives who are the doom and gloom merchants. As my right hon. Friend the Leader of the Opposition said at Prime Minister's questions, the European Commission has pointed out that unemployment is set to soar to 7.1 per cent. as Britain suffers the longest and deepest recession of the EU's big economies. The Commission's outlook for Britain is particularly bleak, with a Budget deficit and a forecast of spiralling debt as the national economy contracts at its fastest rate since 1992. Reading forecasts by the European Commission is not being a doom and gloom merchant—it is recognising the world as it is rather than the parallel universe that Ministers sometimes seem to inhabit.

Lyn Brown (West Ham) (Lab): I do not want to score any cheap points, but I wonder what the hon. Gentleman's solution is. Is it to go back to where we were under the previous Administration, when unemployment was seen as a good price to pay while we waited for the markets to right themselves? We are offering a solution to the problems that we face and having real concern about people's jobs and opportunities, whereas the Conservatives are telling us to take no action and wait for the markets to re-regulate themselves. About 3 million to 4 million people would be unemployed by the time that the markets righted themselves. Does he think that that is the right price to pay?

Mr. Harper: That is a helpful intervention, but as I have been speaking for only seven minutes I have not got to our policies on welfare reform. When the hon. Lady has listened to that, she will be welcome to intervene on me again if she has any questions. No one in this House, certainly on our side, is proposing that the Government sit and do nothing, but we think that they should take the right action rather than the wrong action.

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): When the hon. Gentleman was challenged by my hon. Friend the Minister, he said that he had not seen some of the Government's proposals and was unable to comment on them. On the right or the wrong action, the hon. Member for Havant (Mr. Willetts) said at his party conference—I can provide the website connection for the hon. Gentleman if he wants—that the Conservatives would cut the Train to Gain budget by £1 billion and use it for inheritance tax. We have readjusted Train to Gain to help small businesses. Does the hon. Gentleman support Train to Gain or changes to inheritance tax, or does he agree with the CBI, which was aghast at those proposals?

Mr. Harper: As the hon. Gentleman should know, my hon. Friend the Member for Havant (Mr. Willetts) did not suggest that we use those savings to pay for changes to inheritance tax. I am surprised that the Minister did not mention the proposals that the Government have announced on the £100 million and the £350 million. When challenged on those, the Under-Secretary had to acknowledge that there was no new money—it was already in the Train to Gain budget and was being re-focused and re-prioritised.

Jonathan Shaw: Will the hon. Gentleman confirm that it is his party's policy to cut £1 billion from the Train to Gain budget?

Mr. Harper: It is not our policy to do any such thing, and the hon. Gentleman should get his facts right before he makes such accusations.

Jonathan Shaw: I will send him the quote.

Mr. Harper: The hon. Gentleman can send it.

Ministers have repeatedly fallen back on optimistic assertions about their welfare and employment record, and we heard the Under-Secretary, the hon. Member for Burnley (Kitty Ussher) do that today, when she claimed that Britain had record employment. The Secretary of State said, as recently as 7 October, that the employment rate of 74.3 per cent. under this Government was

"the highest employment level that had ever been achieved in this country".—[*Official Report*, 7 October 2008; Vol. 480, c. 205.]

As my hon. Friend the Member for Epsom and Ewell (Chris Grayling) said when he challenged the Secretary of State during the last Work and Pensions questions, Ministers need to take a long, hard look at the figures that they present to the House. According to the Library, the rate of employment is below what it was in the late '80s, and lower than it was in the 1970s. According to the Office for National Statistics, only 300,000 more British-born people are in work today than in 1997—not very impressive after those years of growth.

Why does the Under-Secretary think that employment among British people has fallen by more than 350,000 in the past two years while employment among migrant workers has risen by nearly 1 million? When that point was made to the Minister of State, the right hon. Member for Harrow, East, he had no answer. The real position is very different from that set out by the Under-Secretary today. If we count unemployment using the accepted international measure—the International Labour Organisation measure—Labour has cut unemployment by just under 300,000 during their 11 years in office. Unemployment fell faster between 1992 and 1997 than it did during the 10 years since 1997.

In reality, the Government have built their employment record on the back of migrant labour. The number of British-born people in work has fallen by 365,000 in the last three years, and during the same period the number of migrant workers finding employment in Britain has risen by 865,000. As my hon. Friend the Member for Hertsmere (Mr. Clappison) said:

"Time and time again Labour Ministers boast about their employment record and the jobs they have created in the last 10 years. The reality is that employment of British people has been falling for years. Gordon Brown's failure to address underlying problems with employment and skills will make recent rises in unemployment more difficult to tackle."

Lyn Brown: Does the hon. Gentleman recognise the difference between British people in jobs and British-born people in jobs?

Mr. Harper: I am simply citing the figures.

The Minister with responsibility for employment and welfare reform, the right hon. Member for Harrow, East, could not answer the question at oral questions. The question was asked by my hon. Friend the Member for Epsom and Ewell, and the Minister cast doubt on the veracity of the figures. He said at oral questions:

"I am looking to see precisely how the 365 and 865 figures were reached...It appears that the definition of working activity is being played around with, as is the definition of a UK national and a foreign national. That is how those figures are reached. When I am clear about the provenance of the figures, however, I will get back to the hon. Gentleman."—[*Official Report*, 20 October 2008; Vol. 481, c. 4.]

My hon. Friend is still waiting for an answer, and perhaps when the Under-Secretary, the hon. Member for Chatham and Aylesford (Jonathan Shaw), makes his winding-up speech he will clarify whether the figures are accurate, or perhaps tell us what they actually are. They paint a revealing picture of Labour failure. Ministers constantly repeat how they have created 3 million new jobs, but forget to mention that up to 80 per cent. of those have gone to migrant workers.

Mr. Todd: I am a little concerned at the thrust of the hon. Gentleman's argument, which appears to be in favour of restrictive practices to prevent the arrival of foreign workers in our country, who are required for a competitive economy. If that is what he is drifting towards, has he run his thoughts past any industrialist in the UK to test their reaction to such policies?

Mr. Harper: I have two points in response to that. First, I mentioned the figure because at a time when we have seen growth in the number of migrant workers getting jobs, we still have, as the Under-Secretary, the hon. Member for Burnley, acknowledged, nearly 5 million British-born people on out-of-work benefits, and we want to ensure that they can share in economic growth. Secondly, the hon. Gentleman is a little behind the curve. If he had listened to what the Minister for Borders and Immigration said, he would have noted that it is the Government's policy to restrict the number of people coming into this country, but it is simply the case that their policies to date have not worked.

Mr. Todd: I do not think that the hon. Gentleman detected in my remark any agreement with my colleague.

Mr. Harper: That may be his view, and he is perfectly entitled to it, but it is not the view of the Government. His right hon. and hon. Friends have a different view from him, and as far as direction of travel is concerned, they want to achieve what we want to achieve.

The Under-Secretary, the hon. Member for Burnley, spent a fair amount of time on child poverty. Child poverty is up for the second year in a row, rising in the last two years by 200,000, and it is the same now as it was in 2002. The UK has a higher proportion of children living in workless households than any other EU country. I noticed that the Under-Secretary referred to the Government's 2020 target, but she did not mention their 2010 target to halve child poverty. She and I had an exchange on this matter at oral questions a short while ago, and I challenged her to say whether the Government were going to hit the target. She failed to answer on that occasion, and I would be grateful if the hon. Member for Chatham and Aylesford told us, when he makes his winding-up speech, whether the Government are likely to hit their 2010 child poverty target.

Roger Berry (Kingswood) (Lab): Does the hon. Gentleman acknowledge that under the previous Government child poverty doubled, and that in 1997 this country inherited the worst child poverty record in Europe?

Mr. Harper: The hon. Gentleman will notice from my remarks that we still have a very poor record compared with the rest of Europe, after 10 years of economic growth. It is interesting to note how many Labour Members spend all their time looking at the past, rather than focusing, as we are, on the future. They have been in government for 11 years—it is interesting to note, on a day like today, when we acknowledge the tremendous achievement of Senator Obama, that that is 50 per cent. longer than an American President is allowed to serve. After 11 years, they have not made a great deal of progress, and things are going into reverse.

The Government's record on welfare reform and getting people into work is not as rosy as the Minister would like us to believe. It is worth reflecting on the current state of play and the challenges that we face. After 11 years in power, Labour's record on welfare reform is disappointing, to say the least. It was Tony Blair who said, as far back as 1995, that welfare reform would be

"one of the fundamental objectives"

of a future Labour Government. He boldly professed that he was

"the only one with the will to do it",

and that it would take a Labour Prime Minister radically to reshape the welfare state. When we look at the facts, we find it clear that that rhetoric has not been translated into effective policy. The figures for the number of people claiming out-of-work benefits make for bleak reading. There are still 2.6 million people claiming incapacity benefit, a figure that has stayed broadly the same during the period in which the Government have been in power. The number of people claiming for more than five years is higher than it was 10 years ago, and it continues to rise. About half a million people—almost one in five of those incapacity claimants—are under 35.

As the right hon. Member for Birkenhead (Mr. Field) has said on many occasions:

"the growth in the number of new jobs and the impact of Labour's welfare reforms should have reduced the total of worklessness by record levels. The opposite is sadly true."

The Government's failure to deliver the promised change is all the more a missed opportunity now that the economic situation has darkened. Delivering real welfare reform would have been somewhat easier in a steadily growing economy rather than in one heading into a sharp recession. At a time when such matters are so important, it is important that Ministers are focused on the job in hand. Unfortunately, three of the six Ministers in the Department are effectively only part time. The Minister of State, the right hon. Member for Harrow, East, who is responsible for employment and welfare reform, doubles up as Minister of London. The other Minister of State, the right hon. Member for Doncaster, Central (Ms Winterton), who is responsible for pensions, doubles up as Minister for Yorkshire and the Humber, and the Under-Secretary, the hon. Member for Chatham and Aylesford who, as well as being responsible for disabled people, doubles up as the Minister for the South East. Given that they all have two jobs, they are either 100 per cent. focused on their jobs in this Department, and focused on the challenges of work and welfare reform, while neglecting their regional duties, or they are spending time on regional duties when they should be focused on ensuring that those thrown out of work as the recession deepens are the centre of their priorities. It is disappointing to have part-time Ministers at a time of full-time challenge.

I want to challenge one or two points that the Under-Secretary made in her opening remarks. She mentioned the performance of the Government's new deal. Again, it is worth quoting the former Minister for welfare reform, the right hon. Member for Birkenhead, who described the performance of the Government's new deal for young people as "woeful" and, more recently, as a "calamity". It is also worth remembering that the new deal is a revolving door back to benefits. Half all young jobseekers who leave the new deal for young people are back on benefits in a year, and 75 per cent. of new jobseeker's allowance claims are made by people who have claimed previously. Half those repeat claimants spend more time on benefit than in work, and 500,000 new claimants have spent at least three quarters of the past two years claiming benefits. The system has not been successful in getting people into long-term, sustainable employment.

My hon. Friend the Member for Epsom and Ewell raised the manipulation of statistics in a recent debate in the House and pointed out that young people who claim jobseeker's allowance for six months, and over-25s who claim for more than 18 months, are automatically referred to the new deal. If they fail to find a job initially, they are referred to a period of mandatory activity, moved off jobseeker's allowance on to a training allowance and removed from the Government's official claimant count. At any one time, around 40,000 people are hidden in that way. If they were included in current figures, the genuine claimant count would exceed 980,000.

Approximately one in three people who leave the new deal return straight to benefits. At that point, they rejoin the claimant count, their previous claim is wiped clean and they appear to have only just become unemployed. Under the Government's current system, it is possible to be unemployed for more than two years, but for it to appear as though a claimant has been on benefit for only two days. That obscures the true picture.

Kitty Ussher: I am glad that the hon. Gentleman has raised the point because it gives me the opportunity to ask for some clarification. First, did not the Conservative Government introduce the system in 1995? We are simply operating under the rules that that Government introduced. Secondly, there is an enormous difference between a system that keeps people near the job market and makes no attempt to disguise what is happening, and the Conservative party's policy of moving people away from the labour market and on to incapacity benefit.

Mr. Harper: I shall deal with our proposals on welfare reform shortly. However, the new deal is the Government's programme. They have been in power for 11 years, and Ministers must learn to take responsibility for the things that they have done. Trying to pretend, after 11 years in power, that every ill in the world can be laid at the door of the previous Conservative Government is not credible.

Mr. David Evennett (Bexleyheath and Crayford) (Con): My hon. Friend is making a superb speech, highlighting the flaws in the Government's argument. Will he reinforce the point that we should look forward to change and improved welfare and job opportunities? We do not want to go back to the 1990s or earlier because that is history. We are talking about now and ensuring that there are better opportunities for all people, so that they can be in work, with their welfare looked after when they are not, but with the opportunity to get back into jobs.

Mr. Harper: My hon. Friend makes a good point. It might help if the Under-Secretary confirms in his winding-up speech whether the Government hold to the claim that they have abolished long-term unemployment. They made such a claim in the past, but failed to confirm it more recently.

Given that we have a huge problem to fix, now combined with the more challenging economic climate, we are pleased that the Government have followed our lead and adopted many of the proposals that we published in January in their Green Paper, which they published in the summer. I agree with the Under-Secretary that, with the downturn in the economy, there is an even stronger case for providing the right support to get people into work or back into work. Most people on benefits can and want to work, but, in many cases, they need the right support to do that.

Last week, I visited the very good NeuroMuscular Centre at Winsford, which does an excellent job in providing physiotherapy and rehabilitation for those with neuro-muscular diseases, such as muscular dystrophy. One of its powerful achievements is that 100 per cent. of people who use its services are able to stay out of hospital and more than 80 per cent. are able to stay in paid employment. That is a good example of an organisation that provides the right practical support to help people stay in work, even when they have long-term health conditions or other disabilities.

There is consensus between the parties about the direction of welfare reform, but there needs to be a greater sense of urgency and ambition in implementing the Freud proposals in full. Although we are pleased that the Government have accepted that using the expertise in the private and voluntary sector is effective in getting people into work, they have not matched our commitment to fund that properly.

David Freud, who was, stopped being and is again an adviser to the Government on welfare policy, said that the major ingredient necessary for welfare reform to work was to change the DEL-AME—departmental expenditure limits-annually managed expenditure—rules. That may sound obscure, but in English, it means using the savings one makes from getting people off benefit and into work to help fund programmes to provide support. One can therefore have the ambition of helping everybody—rather than only a few—who is on an out-of-work benefit. David Freud, the Government's adviser, said that that was the single most important item necessary to make the proposals work.

Perhaps the Under-Secretary will explain in his winding-up speech why the best that the Government have devised so far is a limited programme of a few pilot schemes. After the previous Budget, hidden away on page 60 of the Red Book—the hon. Member for Burnley will be familiar with that, given that she has been a Treasury Minister—is a commitment only to "explore" implementing David Freud's proposals in full. The Under-Secretary acknowledged that we are facing a difficult economic position, when we need to extend help and support. It is a time for not exploring but implementing ideas and delivering help and support to people who need it.

John Penrose: I support my hon. Friend's comments. Earlier, I asked the Under-Secretary about Government plans, in the event of rapidly rising unemployment in the future and given the economic downturn, to adjust the budget for the flexible new deal because more people would need the sort of support that the programme involves. That was a golden opportunity for her—I offered her an easy lob—to say that the Government's budget could be flexible if they adopted the Conservative party's proposal, which they have already agreed to examine, simply because the budget would automatically rise pro rata as the unemployment benefits bill rose in the downturn.

Mr. Harper: My hon. Friend makes a sensible point, and it is disappointing that the Government have failed to act.

Kitty Ussher: I rise to the challenge. As my right hon. Friend the Secretary of State made clear, we accept the Freud report and we are doing exactly as he recommended by starting with a pilot.

Mr. Harper: The Under-Secretary knows that, during the Budget, the Secretary of State made it clear that he agrees with David Freud and wants to implement the report. Unfortunately, the look on the face of the Chancellor of the Exchequer demonstrated that, yet again, the Treasury is blocking the proposal.

Jonathan Shaw *rose—*

Mr. Harper: Let me finish my point. The Red Book makes it clear that the Government will only explore the ideas. Given that the economy is contracting, that next year we will experience negative growth in every quarter, that 164,000 people have lost their jobs in the last quarter and that the position will get worse, it is a time for stepping up the help and support that we need to provide. That will not be done unless the funding is in place. When will the Government accept David Freud's recommendations to allow benefit savings to be used in full to help fund the necessary support?

Jonathan Shaw: Let me make it clear that "explore" means pilots. Is the hon. Gentleman interpreting Government policy through a look on a Treasury colleague's face? That is rather odd, or perhaps he has hidden talents. I emphasise that "explore" means pilots. That was the recommendation—how much clearer does he want us to make that?

Mr. Harper: The Secretary of State made it clear in the Budget debate that he wanted to move much faster. It is clear from the Red Book that he has been blocked from doing so by the Treasury. If the Minister is comfortable with the scale of the help and support that the Government will be able to provide in the recession, that shows a

worrying complacency. Both he and his hon. Friends will regret that lack of ambition and the fact that the Government are not moving fast enough to make the proposal work.

Another crucial issue for getting people into work will be adopting the right commissioning strategy for welfare programmes. The current approach appears to be tilting the balance in favour of larger volume providers, at the expense of those smaller, specialist providers, who help some of those furthest from the labour market. That is a cause for concern. The Government need to think again and ensure that the most vulnerable are not parked to one side or ignored by providers. We need to refocus our efforts on what is best for the thousands of people who need our help to get into work and give them the support that they need, rather than risk the silo approach of having a small number of excessively large providers.

The Social Market Foundation recently published a comprehensive report into the issue, which said that "it is unlikely that" the flexible new deal

"will deliver the kind of step-change in performance that the government hopes for. The new programme is therefore in danger of failing to live up to its theoretical potential."

The Social Market Foundation worked closely with the Department on its report. It is therefore disappointing that, instead of taking the report's warnings seriously, the Department's representative tried to rubbish it at a recent conference. The Government should pay attention to such concerns. Indeed, those bidding for such contracts or thinking of doing so have expressed many concerns to the Government, which they should take seriously.

Before I finish, I want to ask the Minister one or two questions that he can perhaps respond to when he winds up. My hon. Friend the Member for Epsom and Ewell recently met the Terence Higgins Trust, which raised concerns about the review of the special rules for those with HIV. The special rule benefits were introduced at a time when contracting HIV was expected to lead to rapid death. Owing to very welcome medical advances, however, some people have been on such benefits for a decade or more.

As a result of the special rules review, one in five people with HIV on such benefits have had their award removed and one in three have had it reduced and are expected to return to the workplace. That is absolutely right, but the Terence Higgins Trust is concerned that the support for such people to return to work is not adequate, as they have been moved on to jobseeker's allowance only and are not receiving the proper help that they require. It would therefore be helpful if the Minister explained what support those people, who have been out of the workplace for perhaps a decade or more and who are coping with a highly stigmatised condition that requires ongoing medical treatment, will receive to return to work.

I want briefly to touch on the employment and support allowance, which the Minister mentioned in her opening speech and which I debated with the Under-Secretary, the hon. Member for Chatham and Aylesford in a Committee considering the regulations. We agree with the broad thrust of the employment and support allowance. I thank him for writing to the Chairman of that Committee, my hon. Friend the Member for Southend, West (Mr. Amess), to address some of the issues raised that he did not have time to deal with in Committee. As he said, the previous system focused too much on what people could not do, as opposed to what they can do. We welcome that change.

Unfortunately, however, we are concerned that ESA does not live up to the reassurances that we were given. The Government have broken their promises on the ESA rates, which are lower than they promised. We raised concerns that the system favours people with fewer national insurance contributions and penalises those who have worked—that is, those on the contribution-based ESA, rather than the income-based ESA. The Minister acknowledged that problem in his letter to the Committee, but said that it applied only to relatively small numbers of people. It might therefore be helpful if he said how many people, of those going on to ESA, he expects to be on the contribution-based ESA and on the income-based ESA.

I tabled a written question, which was due for answer on 17 October, to ask

"whether the Disability and Work Division's Employment and Support Allowance design team has undertaken an impact assessment"

into the introduction of that benefit. Despite receiving a holding answer, I am still awaiting the substantive answer. Perhaps the Minister will take this opportunity to prod his officials into action, unless of course the answer is awaiting his approval. I also tabled a further question for the Secretary of State, to which an answer was due on 10 September, to ask

"from which part of his Department's budget"

the very welcome increase in the access to work budget would be drawn. A holding answer has been received, but a substantive answer, nearly two months later, has not. I should therefore be grateful if the Minister chased that up.

In conclusion, as we enter stormy economic waters, work and welfare policy will become ever more pressing. The Government's record on welfare reform has been characterised more by disappointment than by real reform. Many thousands of people will look to the Government for the right support in getting into or returning to work. Should the Government look to accelerate the implementation of the Freud proposals, with that change to the DEL-AME rules, so that the benefit savings can be used to help people get into work sooner rather than later, we will support them. It would have been a lot easier to reform the welfare system in the good years, but that opportunity was squandered. It will be more difficult to do so now that we face difficult economic times. However, I agree with the Minister that it is hugely important that we do so.

1.46 pm

Roger Berry (Kingswood) (Lab): This is the second day this week that I have had the pleasure of following the hon. Member for Forest of Dean (Mr. Harper). On this occasion, however, I suspect that there will be less agreement than there was in Westminster Hall yesterday.

I welcome this afternoon's debate, which gives us an opportunity to discuss various issues, not least the Green Paper, which has been referred to already, as well as support for lone parents, policies for tackling child poverty, and support for disabled people. My focus will be on policies to support disabled people. I therefore first welcome to his post the new Minister responsible

[Roger Berry]

for disabled people, who very kindly came to the all-party group on disability soon after his appointment. I am sure that we will continue to have good relations with him.

Let me also express not only my profound thanks, but those of the House and the wider community, to my hon. Friend's predecessor, my hon. Friend the Member for Stirling (Mrs. McGuire). I notice that the hon. Member for Forest of Dean referred to the latest issue of *Disability Now* at the start of his speech in order to make a comment—and not a very helpful one—about the new Liberal Democrat disability spokesperson. The same edition devotes a whole page to quotations from members of the disability movement congratulating and thanking my hon. Friend the Member for Stirling on her work. The former chair of the Disability Rights Commission said of my hon. Friend:

"She was a smashing minister who did a lot for disabled people...She understood the disability movement and the importance of human rights and independent living."

I, too, wish to place on record my thanks for her sterling work during her period in office.

I have no doubt that improving opportunities for employment for disabled people who are able to work is the best route out of poverty. That is why policies to secure full employment, a decent national minimum wage, the new deal, pathways to work and all other such policies are central to providing opportunities for disabled people. Why do one in three disabled adults of working age live in poverty? It is because half of them are unemployed, while those not in employment receive benefits that are simply too low. If we are honest, we will accept that they are in receipt of benefit income that is below the poverty level.

Progress has been made on the employment front, so I am genuinely surprised to hear the assertion that nothing has happened over the past 11 years. That is nonsense. Some 10 per cent. more disabled people of working age are now in employment. That has happened for the simple reason that we have had record employment growth and specific programmes to support disabled people into work and legislation to outlaw discrimination in the labour market. My view is that the successful economy and specific programmes have been by far the most effective. There have been changing attitudes among employers, too, and that should be welcomed.

The fact that 10 per cent. more disabled people of working age are in employment is progress, but clearly much more needs to be done. For example, the employment rate among people with mental health conditions is not 50 per cent., but only 20 per cent. For people with learning disabilities, it is 25 per cent. An important challenge that we face is to increase employment among those groups of disabled people. To address their needs, specialist and individual support is clearly required. We have all said that many times. That is why I warmly welcome the direction taken by the Green Paper. No one should be written off, and we should all support the thrust of the Green Paper.

I am, of course, delighted that funding for the access to work scheme has been doubled, finally. It will go up from £69 million per annum to £138 million by 2013. That is not quite as ambitious a change as I had in mind, but it is a significant increase and it is far better than the £15 million available under the previous Government. It is not what people say but what they do that matters in politics. Once that £138 million is spent yearly on the scheme, it will enable another 48,000 disabled people every year to enter and remain in employment by providing payments for the purchase of reasonable adjustments.

Along with many others, inside and outside the House, I have been calling for a substantial increase in that funding for many years. With the House's indulgence, I should like to repeat the reason why it is a good thing to support disabled people into work. As the Department for Work and Pensions confirms, for every £1 million that is spent on enabling access to work, the Treasury gets £1.7 million. It is a no-brainer. At some stage I would be interested to hear whether we are not aiming for more than £138 million a year because there is no need for more money, or whether somebody has not realised that getting a £1.7 million return on a £1 million investment is one of the better deals at the moment.

We can move in the right direction and do good things; the access to work scheme is a good programme which I have seen in operation. I have had constituents who have benefited from it and it is outstandingly important. It is a win-win situation in every case. I would have thought that the amount of money available could be even higher. At some stage, I would like to know why we have to wait until 2013. My hon. Friend the Under-Secretary will no doubt answer that question when he responds. I support what is happening, but we could do things quicker.

We also need to ensure that employers are aware of the scheme—the Green Paper refers to this problem. Five or 10 years ago, it used to be said that the access to work programme was a closely guarded secret. Virtually no small employers knew about it, and about a third of large employers had heard of it. The implicit fear was that if more people knew about it, too many people might apply. I do not think that that is the case now. I would be pleased to get reassurance on that point.

Let me give an example. RADAR—the Royal Association for Disability and Rehabilitation—estimates than only a quarter of employers know about the programme. It is a very important way of reducing discrimination by employers who might be worried about the additional costs of employing a disabled person. It is a critical programme: please, please can it have as much money and as much publicity as possible? *[Interruption.]* That statement is only slightly off message. We are talking about millions, not billions. If my hon. Friend the Member for Bishop Auckland (Helen Goodman), the Whip, tempts me, I could be a bit off message later when we get to the economy. In all seriousness, can we do the best that we can with the programme?

I am not entirely happy that the Government argued in the recent debate that blind people could not be allowed access to disability living allowance higher-rate mobility allowance because the money was going to the access to work scheme. I was not impressed by that argument. Many of us were at the Royal National Institute of Blind People lobby, where constituents and others told us that people with sight impairments felt that they could not afford to leave their homes, faced considerable taxi costs and wanted to have independence but felt that they could not afford it. People with serious sight impairments should have access to the higher-rate mobility component of DLA. I hope that my hon.

Friend the Minister will give a positive response to that, too. It was quite disappointing that the extra funding for the access to work scheme was invoked as a reason why such a provision might not be affordable. That is not good enough for a Government who have otherwise made enormous progress in relation to disabled people and disability rights.

As I am talking about people who want to live independently, let me move on to some points on chapter 5 of the Green Paper, which is about delivering choice and control to disabled people. It is frequently said that with rights come responsibilities, but it is also true that with responsibilities come rights. If more is being asked of disabled people in making personal efforts to secure work, their right to support should be regarded as of equal strength.

In my view, rights to independent living are a prerequisite for successful welfare reform; they are not just an add-on that might come later. The Government's independent living strategy defines independent living in the following familiar terms, saying it should mean

"disabled people having the same choice, control and freedom as any other citizen—at home, at work, and as members of the community."

The Government's strategy welcomed the principles of the Disabled Persons (Independent Living) Bill, introduced by my noble Friend Lord Ashley, which was passed in the other place. They welcomed and supported its principles, but have so far resisted encouragement to legislate on independent living and specifically to legislate so that disabled people have greater choice and control over their lives, particularly when it comes to individual budgets that could be used to support their social care needs, housing needs and so on.

Independent living should not be regarded as an add-on to the welfare reform programme. If people cannot get to work because of the transport system or the costs of transport, cannot live in decent accommodation, and cannot get the support of personal assistants or whatever else makes their life better—

Nia Griffith: Will my hon. Friend give way?

Roger Berry: Of course.

Nia Griffith: Will my hon. Friend also ask Ministers about the important issue of what we can do when a person who is disabled and has access to concessionary travel needs to be accompanied by somebody who, at present, cannot access concessionary travel?

Roger Berry: I shall ask the Minister that question without repeating it. I have had constituents in precisely that situation, too. It is part of the general point that with responsibilities come rights. If someone is prepared to go to an interview to discuss work, to take up more training or to try out a work placement, that is the responsible thing to do, but unless that person has the right to access decent transport, proper support in the community and all the other things that people with disabilities or ill health require to do their day-to-day business that other people do not require, a significant extra burden is placed on them.

We all know that, sadly, despite significant extra funding going in to social care in this country, needs are not being met. More than 70 per cent. of English local authorities restrict access to support to just those who meet the highest eligibility criteria. We all have constituents who should receive support in the form of social care, but who find it difficult to access. Some are denied it by rising charges. That is a long-standing problem, which has been recognised in the Government's independent living strategy, by the Commission for Social Care Inspection, by the Local Government Association and many others. Some needs that should be met so that disabled people and others can participate equally in society are not being met. In addition, hon. Members will need no explanation, but the present system of social care is also appallingly bureaucratic, wasteful and inefficient. There are also inconsistencies between local authorities, which gives rise to an important issue for employment.

Each local authority can set up its own system of support and its own care package for individual residents. Those packages are not portable from one local authority to another. One can get assessed for a care package in Lambeth, but if one were to move to Southwark to be nearer a place of work or closer to family and friends, one would have to be assessed all over again. If we are talking about people's responsible behaviour, we also need to talk about their rights. How on earth can it make sense for care packages to be reassessed simply because people have moved from one local authority to another? I hope that the Government will legislate to make care packages portable as quickly as possible. Without that, it will be much more difficult for people to consider moving in order to secure employment. The right to independent living should therefore be a prerequisite to successful welfare reform. As I say, people cannot be expected to find and sustain a job without an adequate support package that gives them the necessary freedom and choice.

Let me move on to the role of the private and voluntary sectors. I welcome the Green Paper's focus on outcomes—its view that in supporting individuals into sustained employment, the important thing is the outcome rather than the organisations that happen to provide that support. Many voluntary sector organisations—Mencap and many others—provide excellent support for disabled people, not least in their efforts to secure employment. I have no difficulty at all in saying that job centres cannot do everything today, as it is obviously true. I wish they could do more, but they cannot do everything. There is expertise in the voluntary and private sectors and it is right for the Government to harness it in order to give disabled people the support they need to secure employment.

I, too, however, have concerns about the contracts and I would certainly like some reassurance from the Minister that the contracting mechanism will ensure the desired outcome and not just support those closest to the labour market. The hon. Member for Forest of Dean raised that point earlier; I do not like phrases such as cherry picking, but it is one that people use, even in this context. The Government must have firm control over contractual arrangements to ensure that we get the best result from taxpayers' money. We are increasingly having to support people who are a fair distance away from the labour market; they should not be left behind in the process.

I have a couple of concerns about the Green Paper. The gateway under the work capability assessment is tightening. The Department has mentioned a possible

[Roger Berry]

10 per cent. increase in disallowance. I am concerned that the former incapacity benefit regime, which was widely described, including by Ministers, as one of the tightest regimes in Europe in its gateway and for jumping through the hoops, is to be tightened even further. I would appreciate the Minister's confirmation that I have completely misunderstood that and that there is no question whatever of the new gateway being tighter.

I would also like an assurance that no one will be on a lesser benefit under the new regime than under the old one. Having looked at the numbers and having passed some of them to the Department—the Disability Benefits Consortium has produced some detailed work—I do not think that that is strictly true. A couple of years ago, we were told that employment support allowance rates would be set above the long-term incapacity benefit rate, which implied that nobody could possibly be worse off. I repeat that I would like an assurance that I have completely misunderstood the position and that I am out of my depth on it. I hope I am wrong, because we are talking about people on low incomes, living in poverty. Making them worse off would be unacceptable.

It is said that we are all Keynesians now. It is not true, not least because, sadly, not many people have read what the learned gentleman—and liberal—said. Rising unemployment significantly changes the context of welfare reform. It is not only about putting more effort into supporting people into work, as it is about running the economy at the macro level. I have to confess—no, I am proud of it, so I am not confessing—that I believe that Keynes and many others of his generation were absolutely right that when in a recession we should not simply use fiscal policy to drift into a slightly higher deficit in order to accommodate changes, which I believe to be the Opposition's position. If we want to get out of the recession, we should rather allow the deficit to rise as a matter of policy, either through higher public spending and/or lower taxation.

It was once said that we cannot spend our way out of a recession, but if anyone can tell me how to get out of a recession without more spending, I will buy them a very good present. Extra spending has to come from somewhere: it might come from exports; it might come from consumption or private investment; otherwise, it has to come from the Government. If this lesson has not been learned—throughout the world—we face an even bigger problem than I thought.

I say genuinely that we must ensure not only that disabled people have skills to secure available jobs, but that more jobs are available, which requires a proactive policy. That is precisely what the Government have argued—that they will bring forward capital projects and look at ways of helping the economy out of a recession. I happen to agree that many of today's programmes could be targeted for extra resources. One of the great virtues of increasing opportunities, either through employment or benefit payments, is that they go through to people on lower incomes, who by and large tend to spend the money. Having tax cuts for the rich is not a very clever way of trying to boost the economy during a recession.

In conclusion, I strongly support the Government's proposals to increase opportunities for education, training and employment for disabled people. The Government have made very significant progress over recent years, and I repeat that that is the reason why fewer disabled people of working age are unemployed than was the case previously. We need to look further into having a more generous in-work and out-of-work benefit system and we need to simplify it in order to increase take-up. Most of all, we need to make rapid progress on independent living. That is necessary if—as is the aspiration of the Government and, I hope, of us all—disabled people are to have the same choice, control and freedom over their lives as other citizens.

2.9 pm

Jenny Willott (Cardiff, Central) (LD): The hon. Member for Kingswood (Roger Berry) made some valid and interesting points, and I look forward to hearing the Minister's response to them.

We have recently had several debates on similar subjects, and unfortunately I think we are likely to have many more over the coming months and years. I wish to focus today on the measures that are needed to help people to get back into work and the barriers that are stopping that happening. Members know of the multitude of problems that there are in the job market at present so I shall not rehearse them all, but it is clear that the effects of the credit crunch are starting to take hold in the real economy: we have rising unemployment figures and, most worryingly in terms of this debate, the number of vacancies is now just over 600,000, which is a drop of 40,000 from the previous quarter. That is a significant decrease, and it is a worrying sign for those trying to get off welfare and into work.

There is also an underlying problem with worklessness, which Labour has not tackled effectively enough over the past 11 years. In some groups, worklessness has even increased under a Labour Government. For example, almost 1.3 million young people aged between 16 and 24 are not in work or full-time education. That is 19 per cent. more than in 1997. That, too, is a worrying sign.

David Freud's report highlighted the importance of early intervention in helping people into work, and the need to tackle issues at an early stage. To their credit, the Government seem to recognise this. They have included in the Green Paper a proposal to fast-track to the supported job search stage those with a history of long-term unemployment and 18-year-olds who are not in education, employment or training. Government figures show that 38 per cent. of people who have spent 12 months on jobseeker's allowance expect never to work again, and the longer people are on benefits the more likely they are to think they are not going to work. That is a destructive cycle, so early intervention is crucial, particularly in supporting those who are the hardest to get back into work. Early intervention can help to tackle issues such as intergenerational poverty, serious skills shortages, alcohol or drug dependency or mental health problems. Leaving people with such problems sitting on benefits for months and months before anything is done is completely counter-productive and a total waste of their talent.

We also know that delaying intervention can cause serious problems for people who later try to get into work. However, although the Government appear to know that, the Green Paper sets out a rigid programme for the stages at which interventions can happen, and the flexible new deal will allow tailored support of a

more specific nature only after someone has been on benefits for 12 months. That is a long time for people to be out of work before there is an attempt to tackle the problem. I also understand that six months will pass before they are offered basic job search support if they have not already been able to get into work.

Evidence on the new deal points to declining performance. There has been a significant drop in the proportion of people getting into immediate employment at the end of programmes. That is the case for all the programmes, but it is worse in some than in others. More than half those on the new deal for young people went into immediate employment in 1998, but the proportion is now less than a third. In 2001, more than one third of those on the new deal for lone parents got into immediate employment, whereas the proportion now is less than one in seven. This is a worrying indication of what is happening in the job market, and I am concerned that it will be even worse for young people in future. Whereas in the past a young person would go on to the new deal for young people after six months, after April they will no longer be entitled to access that support then; they will have to wait until November, when they will have been out of work for 12 months, before they are entitled to access that support. That is a counter-productive move, and I would like the Minister to clarify what will be done to make sure we do not waste the talents of those people as they are sitting on benefits waiting for the support they need to get back into work.

The hon. Member for Forest of Dean (Mr. Harper) mentioned the sustainability of jobs. There is an emphasis in the welfare reform Green Paper on getting people off benefits and into work as soon as possible. That is generally a positive thing, of course. However, the Government figures show a churn of 25 per cent. One in four people who move off JSA are back on it again within three months, and, according to Her Majesty's Revenue and Customs figures, four out of 10 are back on JSA within six months. There are clearly underlying issues preventing those people from being able to access sustainable employment, and I believe that early intervention is the only way to identify and address the underlying causes that are stopping people getting sustainable jobs and helping themselves out of poverty. The churn of people going in and out of work does not do any good, especially for children. When I was a member of the Work and Pensions Committee, we heard some interesting evidence on the effect on children's aspirations of their parents going in and out of work on a regular basis. The Government must tackle that.

Under the Government's proposals in the Green Paper, it is unclear how people who pass in and out of work will fit into the timetable. Will they, for example, be expected to go back to six months of self-help at the beginning, when they sign on to JSA for the second, third or fourth time? Will that be the case even if it is clear to the personal adviser that they have serious skills shortages or there are other underlying issues that need to be tackled to enable that person to stay in a sustainable job? If that does not get taken into account, we will not be able to reduce the number of people stuck in this cycle, going in and out of work.

John Penrose: I take on board the hon. Lady's point about the importance of timing the intervention correctly. However, does she agree that just doing that is not enough, and when the intervention comes it may be necessary to have a different scale of intervention for people who have multiple barriers between themselves and the job market? There is great concern that the Government's proposals offer a flat-rate budget for each jobseeker regardless of the scale of the difficulties they face. Many countries—such as Holland, which the hon. Lady visited when she was a member of the Committee—have a greater variety of measures and a sliding-scale budget that can be applied to match different people's requirements and to overcome the different barriers they face.

Jenny Willott: The hon. Gentleman makes an interesting point to which I shall turn later, because I agree that there are problems in how the Government are framing the contracts.

The hon. Gentleman also flags up the fact that there needs to be discretion at the level of the personal advisers, so they can identify when somebody has particularly complex needs and may require more than one intervention. Some of the decision making should be devolved to a lower level to enable the people who are involved with an individual to make the decisions that are best designed to get them back into work, rather than have a one-size-fits-all approach, which is a problem with the Government proposals.

Let me deal now with the commissioning process. The Work and Pensions Committee, of which the hon. Gentleman is still a member, recently took evidence from a range of organisations, including the Social Market Foundation, the Employment Related Services Association, A4e, Serco and the Association of Chief Executives of Voluntary Organisations. I have also been talking to providers about issues concerning the commissioning process and the contracts the Government are putting forward. My understanding is that providers broadly agree that the Department's funding model will not meet the Government's objectives—for example, of delivering personalised support for all clients and involving specialist and third-sector providers. Members have raised the issue of the need for specialist providers to be able to offer support to those with specialist needs. That applies particularly to those who have physical difficulties or mental health issues, and that may present problems in terms of the contract.

Providers appear to be backing up the Social Market Foundation's argument that the proposed funding model does not incentivise providers to support those who are furthest from the job market—the point just made by the hon. Gentleman. The Government's estimate in the tendering process is to achieve a 55 per cent. employment rate at 13 weeks, so 55 per cent. of all those going through the process have to be in work for a minimum of three months before the provider gets the full payment. The SMF said in September that that was over-ambitious, and that was before the most recent figures, which show that unemployment for the three months to August has risen at the fastest rate for 17 years. That makes the target of 55 per cent. even less realistic than it was before; however, the Department has not revised the target rate of employment that it is expecting from providers, which gives rise to a number of concerns.

Another very important issue is that providers do not have confidence that the contracts for which they are bidding will be profitable. If the targets that the Department

[Jenny Willott]

expects to be achieved are completely unrealistic, it will be very difficult for providers to achieve them, which could undermine the whole exercise. Providers could go bust in the middle of a contract because they are unable to sustain the work that they are doing on the money they are getting back from the Government; or they could pull out mid-contract simply because it is not financially viable and that is the only way to avoid going under.

We already know that the economy is in a worrying state. The Chartered Institute of Personnel and Development suggests that the worst is still to come and, according to most estimates, unemployment is going to rise significantly. In the last quarter, an average of 1,600 people were made redundant every day. That shows that the changes in the job market are rapid, which has the potential to undermine the involvement of the private and voluntary sectors. They will find it even harder to provide services if the contract is not based on a realistic funding model.

We also need to be realistic and honest about the prospects of those who are already furthest from the job market—the long-term unemployed, those on incapacity benefit, those with very low skills levels. As unemployment gets worse over the next months and years, those falling out of work as a result of the economic downturn are the people most likely to be able to get back into work when conditions improve. They will be closest to the job market, more likely to have up-to-date skills, and so on. If we are not careful, we will have the same people out of work by the end of this recession as we have now. It will be even harder for those already out of work to find jobs in a narrowing jobs market, so to deal with that issue it is absolutely crucial that the contracts and the funding model are right.

The contracts need to ensure that those who are currently unemployed can get back into work, and that they get the necessary support. That also means looking at those coming off incapacity benefit or employment and support allowance and going back into the jobs market, who will have additional needs. We need to ensure that the contracts take into account the additional needs of those who will be furthest away from work.

At the moment, providers are saying that there is no room in the budgets for which they are being asked to tender for medical support for people with minor mental health problems—those, for example, with an alcohol or drug problem, or who need cognitive behavioural therapy to help them back into work. As more and more people fall out of incapacity benefit or the ESA and on to jobseeker's allowance instead, there will be a pool of people on JSA who will need such support; it will not just be people who are going through pathways to work. Because of the way in which the Government propose to draft the contracts, there is not enough headroom for providers to fund such support.

I turn now to an issue raised by the hon. Members for Kingswood and for Weston-super-Mare (John Penrose). There is not enough money in the contracts to provide support for those furthest away from the job market and with the most complex needs. Because there is a flat rate, those closest to the job market will be the ones creamed off by providers, because they will be able to get them back into work. Given the contracting job market, it will be even more important that funding is available to tackle the really hard-to-reach people, in order to make it profitable for providers—in the private and voluntary sectors—to support those furthest from the job market in getting back into work. I should be grateful if, when he concludes the debate, the Minister said what the Department is doing to take into account the changing labour market conditions when they look at the contracts for the flexible new deal. If we do not take the changing circumstances into account, there could be a real problem in the next 12 months or so with the contracts that the Government intend to put out.

Finally, there is a knock-on impact on Jobcentre Plus. Many Members, from all parts of the House, have raised concerns about overstretch for Jobcentre Plus staff. A number of people are concerned that the Government's stripping down of the Jobcentre Plus network and staff during times of economic prosperity is looking increasingly unsustainable. Since 2002, 491 Jobcentre Plus offices have closed and at least another 12 closures are planned in the foreseeable future. That is having a real impact on accessibility of staff and the services provided by Jobcentre Plus. That is particularly true of many rural areas, where it has become increasingly difficult for people to travel to their local jobcentre to access support services.

The DWP is also cutting significant numbers of staff: it has cut 30,000 jobs over the past three years, and a further 12,000 jobs are due to go over the next three years.

Jonathan Shaw: The hon. Lady will be aware of our manifesto commitment at the last election. We said that we wanted to divert resources from Whitehall into front-line services. Does she not support that?

Jenny Willott: I absolutely do, but I should be grateful if the Minister clarified whether he is saying that every single one of the jobs lost over the past three years is based in Whitehall, rather than in jobcentres around the country. In the light of the 491 closures over the past six years, it is clear that plenty of front-line jobs have been lost in that figure of 30,000 figure, as well as back-office jobs.

As the claimant count is rising significantly, the work load of the remaining Jobcentre Plus staff is increasing dramatically. Between 2004 and 2008, there has been a 33 per cent. increase in the number of JSA claimants per full-time equivalent member of Jobcentre Plus staff. That is a massive increase in the burden of work that such staff are expected to do. If personal advisers are taking on increased work loads, it makes it much harder for them to give the personal support that individuals need to enable them to get back into work. The impact of these reductions is already being seen in the effect on claimants. For example, the number of outstanding JSA claims across the UK at the end of September had risen to 66,000—up from 42,000 in December 2004. That is a big increase in the number of people waiting for their claims to be decided. On the social fund, rising processing times for crisis loans have reached nearly two days, and there has been a 50 per cent. rise in crisis loan applications over the past year. Clearly, there is a massive increase in the Jobcentre Plus work load, and we should be concerned about the deteriorating economy's impact on that issue.

Andrew Selous: The hon. Lady mentions delays. Does she share my concern at the fact that the recent average figure for processing new housing benefit claims—sadly, this applies to many people at the moment—is about 34 days? Does she, like me, want to see that improved?

Jenny Willott: Absolutely, and that is another example of how the economic downturn is having an impact across the whole range of services—Jobcentre Plus, councils—provided for people who are really struggling. That shows that the system is starting to creak. I agree with the hon. Gentleman.

I have another concern, which has been highlighted by previous speakers. The situation for Jobcentre Plus is likely to get significantly worse over the next 12 months, not just because of rising unemployment and the accompanying claimant numbers, but because of changes to other benefits that are also pushing more people on to jobseeker's allowance.

The Minister mentioned both ESA and lone parent changes. On the ESA changes, the Government estimate that over the next year the number failing the work capability assessment and therefore moving on to JSA will be 60,000 and the number of lone parents being moved from income support to JSA will be 110,000. Thus, in addition to the estimated 30,000 a month newly unemployed, 170,000 people will be moved by Government policies on to JSA. That will clearly put an extra strain on the overstretched Jobcentre Plus.

I would be grateful if the Minister clarified what the Government are doing to examine Jobcentre Plus's ability to absorb those extra people going on to JSA and to ensure that the support they need will be available to them. The Government need to examine the range of offices available, the number of staff available and the staff-to-claimant ratio, because they must ensure that that does not get too high.

Although the Government appear, in many ways, to be travelling in the right direction, they seem dead set on making the same mistakes that have been made before, and not only in the UK; they are not necessarily learning from international experience. My concerns focus particularly on the issues of delaying support, rather than introducing it right at the beginning; on the setting of targets for contracts that are not achievable and will cause the commissioning system not to work properly; and on not enough money being put into those contracts to ensure that those furthest from the job market are able to get jobs. I would be grateful if the Minister could respond to some of those issues. *[Interruption.]* From a sedentary position, he is querying a lot of what I am saying, so I look forward to his response and to his giving us an idea of how he plans to ensure that the Government do not copy the mistakes made by the Conservatives in the 1980s and 1990s, because we cannot afford to write off another generation.

2.32 pm

Mrs. Janet Dean (Burton) (Lab): I am grateful for the opportunity to raise issues relating to employment and unemployment in my constituency, and people with disabilities. I echo the comments made by my hon. Friend the Member for Kingswood (Roger Berry) in welcoming the Minister responsible for disabled people to his post and in praising the former holder of that post, my hon. Friend the Member for Stirling (Mrs. McGuire), for her brilliant work with disabled organisations.

In 1997, unemployment in some of the inner wards in Burton upon Trent stood at 17 per cent.; the reduction in employment in the brewing industry in Burton had taken its toll. The town of Uttoxeter had still not recovered from the loss of more than 2,000 jobs in the early 1980s, when the local dairy and Bamfords agricultural machinery factory closed. More than 2,000 people were unemployed in my constituency in 1997, many of them long-term unemployed and young, but between 1997 and 2007, unemployment in my constituency decreased by well over 50 per cent.

Until the recent downturn, Government policies such as the new deal, more help for parents through tax credits and the provision of better advice and support through Jobcentre Plus had transformed the job situation and the hopes and opportunities of hard-working people. Unfortunately, the number of people claiming unemployment benefit in Burton has risen steeply. However, I understand from Jobcentre Plus that it is still receiving 20 to 30 vacancies per day. Companies are still choosing to relocate to my constituency because of our excellent work force and strategic position in the country. Although unemployment has risen, 81.7 per cent. of those claiming unemployment benefit in Burton have been doing so for less than six months, compared with 69.9 per cent. in the west midlands as a whole.

These are difficult times and the Government need to do everything possible to support those who lose their jobs, to ensure that they can be retrained and can regain employment as quickly as possible. I welcome the Government's decision to endeavour to help small businesses to withstand the downturn by making the swift payment of invoices a priority; I hope that local authorities will do the same. I also welcome the Government's action in encouraging the banks to open up credit facilities for small businesses.

I also welcome the Government's decision to maintain spending and to bring forward capital projects where possible. That is crucial in order to stimulate the construction industry, save jobs and build homes that people need, as well as to continue to improve this country's public infrastructure. It is far better to borrow to maintain jobs than to have the downward spiral that we experienced in the 1980s. One of the first companies to be hit by the global downturn, particularly the downturn in the construction industry, has been JCB, whose headquarters is at Rocester, in my constituency. JCB's UK work force, who are mainly based in Staffordshire, had increased by 44 per cent., from 3,900 to 5,700, between December 2005 and December 2007. Sadly, JCB announced earlier this year that more than 500 workers would be made redundant because of the worldwide downturn.

I am grateful for the help and support offered at that time by agencies such as Jobcentre Plus, Advantage West Midlands and the Learning and Skills Council, and by voluntary bodies, such as the citizens advice bureaux. More recently, JCB announced the prospect of further redundancies or the alternative of a shorter working week and fewer redundancies. I congratulate the GMB and the work force on deciding to accept a cut in working hours and pay in order to protect jobs. It will be a hard time for JCB workers and their families, but

[Mrs. Janet Dean]

we hope that the company can quickly increase production again if there is an upturn in the world economy. Indeed, since that decision was taken we heard good news; when the Business Secretary, Lord Mandelson, led a delegation to Russia, the announcement was made that JCB had secured a £23 million order to supply machines to help build the transport infrastructure for the 2014 winter Olympics. I also commend Advantage West Midlands, the LSC and other agencies for the work that they are doing to try to protect the 950 jobs at Fox's Biscuits in Uttoxeter. The west midlands is fortunate in having the expertise to help businesses to improve their production and training, and the skills of their work force.

Brewing and pub companies remain extremely important employers in Burton upon Trent, in my constituency. There has been a gradual decline in the number of people employed in brewing and there are great pressures on the industry. It is important for all Departments to examine how they can help that traditional industry. I recently co-chaired an inquiry into community pubs on behalf of the all-party group on beer. Our report suggests sensible ways of helping the pub and brewing industry. We urge the Government to reconsider their policy on beer duty, and to examine how the rating system can reflect the benefits that pubs bring to local communities, the differential between pricing in the on-trade and the off-trade and how red tape can be reduced. We need the Government to give a positive response to the report in order to save jobs in my constituency and elsewhere.

I know that besides trying to prevent unemployment, the Government want to ensure that those with disabilities and ill health are not left behind and that even in a downturn they are given equal opportunities to retain and find employment. I congratulate Jobcentre Plus on the work that it has done through the pathways to work programme. I also welcome the Minister's reassurance on the training that Jobcentre Plus officers have received to help people with autism. I chair the all-party group on autism, so I know that those with conditions ranging from autism to lupus and other inflammatory arthritis welcome the principle behind the changes that the Government are making to prevent people from being disadvantaged in employment opportunities because of their disability. However, we must ensure that the process works well on the ground and that other agencies, such as the national health service, understand the need to treat people quickly to ensure that patients can retain their employment or train for new employment. Thankfully, the waiting times for operations have been greatly reduced. For conditions such as inflammatory arthritis, however, timely and correct referrals to consultants for diagnosis and treatment are important. We want not only to keep people in work or get them back to it, but to improve long-term prognoses so that people can be maintained in work. NICE should take account of the benefits of quick treatment and the most effective drugs when producing its guidance on drugs and treatment—it does not always do so.

We must ensure that the medical assessments of the Department for Work and Pensions are accurate. I recognise that the doctors who carry out the work capability assessments will consider what people can do irrespective of their medical condition, but we need to ensure that those doctors understand claimants' medical conditions. Recently, I attended the Burton upon Trent scleroderma and Raynaud's group, and was horrified when a lupus patient described her medical to me. The doctor had no knowledge of the condition, did not refer to a consultant's letter or report and kept referring to the symptoms as having been caused by drugs; anyone who knows anything about the condition knows the symptoms caused by it.

We must ensure that people do not fall through the gap between incapacity benefits and jobseeker's allowance, especially at a time of rising unemployment. We must ensure that people do not necessarily lose their benefits just because, following a medical, they are told that they are fit for work. Some employers keep people's jobs open for them only until their consultants believe that they are fit for work. I recognise that for many people these are worrying times, but I welcome the proactive work of the Government and agencies such as Jobcentre Plus and the regional development agencies in trying to prevent redundancies and, when they do arise, to ensure that good advice, training and support are available.

2.42 pm

Mr. Charles Walker (Broxbourne) (Con): When I was a young man—[Hon. Members: "Now."] When I was a younger man, I lived for a while in America. About twice a year, I would fly back and forth, and I nearly always travelled economy class. Once, however, I was upgraded to club class. Having been called to speak so early, that is how I feel now—I feel like I have been upgraded to club class. I know that it will not happen again, so I am very grateful to you, Mr. Deputy Speaker.

I congratulate the excellent staff at the Waltham Cross Jobcentre Plus office in my constituency. They do an incredible job dealing with some very hard client groups and without expecting much thanks. They are truly professional and we are very lucky to have them. They also do their jobs without great financial rewards. They are excellent public servants. A few weeks ago, when I visited the office, I was told about some of the consequences of what we all know is happening in the economy: the number of clients visiting jobcentres was rising and the number of vacancies falling. We are in for a very difficult two years, and I imagine that all Members will be holding some very difficult surgeries. We will have many families and people coming to see us in very desperate situations—having lost their jobs and, tragically, their homes.

One of my concerns about the current system is that it is very difficult for people who have been self-sufficient throughout their lives to access help in their time of need. In a sense, they are not professional claimants, and they probably thought that they would never have to call on Jobcentre Plus and the Department for Work and Pensions. Many probably thought that they would always be employed and able to look after their families through their earnings. Suddenly, however, and through no fault of their own, they need some help—not for a long time, but to get them back on their feet. I hope that the Government, the Opposition, Jobcentre Plus and the Department are alive to those people's needs. Over the next two years, we must be there to help them and to give them the leg-up they need.

When I visited the jobcentre, I was struck by its awareness of and concern about the number of professional claimants—people who believe that the state owes them

a living and who have not done a stroke of work in their lives. We need to tackle that problem. Nothing makes hard-working people, earning the minimum wage or just above, whether they live in Broxbourne or Burton, more angry than seeing people in their streets taking the system for a ride. It is worth reminding the House that many of the Department's advisers are also on very low wages, so I am sure that they are just as upset and angry when people present themselves, week in, week out, with no intention of getting a job.

All hon. Members need to work together to end this culture. I am well aware that the Government have tried to get people back into work; they have received pressure from Labour and Conservative Members about it. However, it is about time that people such as Charles Walker, the Member of Parliament for Broxbourne, got a bit of spine and backbone. All too often I have put pressure on the Government to act. We all know that many people who come to our surgeries have terrible and tragic stories, but we also know that some are just telling a story. However, instead of offering wise counsel and saying, "The Government are right and my best advice to you is to get a job, because you will be much happier that way", I actually say, "Isn't that appalling? This horrible Government! Let me take up your case. I shall write to the Minister and demand that your case be reviewed." In doing that, I am not being honest with my constituent, myself or my constituency.

We hon. Members are good people who do not like to disappoint others, but it is incumbent on us to say to some people, "I am sorry, but it is in your interests to get a job, and that's the end of the matter." If they say, "I'm going to the local newspaper", we should say, "Be my guest! Here's the name and address of the editor and the news reporter." If they went to the newspaper, the overwhelming majority of constituents, whether in Labour, Conservative, Liberal Democrat or independent seats, would say to us, "Good on you, Member of Parliament."

Jonathan Shaw: I look forward to not receiving the hon. Gentleman's letters.

Mr. Walker: Well, I look forward to not sending them. However, talk is cheap in this place, and I suspect that the Under-Secretary might still receive the odd letter from me.

Many people are desperate to get back into work. They might have been out of work for a number of years, had mental health or disability problems and lost their self-confidence. We need to help them rediscover that self-confidence so that they can re-launch themselves in the world of work. However, a small minority of people remain who simply will not work; they are, I am afraid, work-shy and believe that the state owes them a living. A life on benefits should not be an option for those people. We have an obligation to look after people in their time of need, but we need to put a time limit on benefits.

Of course, I am not saying that we should throw people and families into the street to starve. That would be ridiculous, but at some stage it would not be unreasonable to tell able-bodied people who are capable of working but choose not to, "Mr. Jones"—or Mr. Bloggs, or Mrs. Jones or Mrs. Bloggs—"your benefit needs to be earned. We've paid it for two years but that ends today. When you come and see us tomorrow, you will present yourself in this office at 9 o'clock in the morning and you will join a group of people going out into the community to do good and important work. When you have done that work, at the end of the week we will give you your money."

Of course people will bitch and moan about that: they will be miserable at having to work, but they will have to if they want to get their money. Anyway, who knows? After two or three weeks or three or four months, some people frightened by the concept of work might actually discover that they like working with a group of people, and that they like to be motivated and achieve something as part of a team. At that stage, they might decide voluntarily to get a proper job with an employer.

Let us all work towards that. I am not a paragon or beacon of virtue. I have been work-shy in my past life, but very occasionally people close to me gave me a kick up the backside, and that was the motivation that I needed.

Mr. Deputy Speaker, thank you for calling me so early in this debate. I have thoroughly enjoyed making my brief contribution.

2.51 pm

Lyn Brown (West Ham) (Lab): It will be hard to follow the speech by the hon. Member for Broxbourne (Mr. Walker), especially as I shall come at the subject from a completely different angle.

I want to focus on an area in the welfare and work agenda that, although small, is of the utmost importance to the constituents whom I represent. I want to underline the difficulties experienced by many in my constituency who are forced to live in temporary accommodation and who, as a result of the high rents that are charged, find it impossible to work and keep a roof over their heads. That is due almost entirely to the way in which the housing benefits system works, and I hope to be able to impress on my hon. Friends on the Front Bench the seriousness of the poverty trap that that causes.

I make this speech in the knowledge that we are just weeks away from a Queen's Speech and new legislation. I have mentioned this matter at least twice in the Chamber and three times in Westminster Hall debates, and I hope that something can be done.

Professor John Hills's report into social housing was launched in February 2007 by the then Secretary of State for Communities and Local Government, my right hon. Friend the Member for Bolton, West (Ruth Kelly). In her speech, she excellently summed up the Government's aspiration for social housing:

> "My key point today is that we should be more ambitious. Social housing must work better as a platform for social and economic mobility…The Working Future pilot in East London"—

it was based in my constituency—

> "is testing how low rents and better employment advice can help families in temporary accommodation find work. It is only a small pilot, but the results are striking.
>
> This is an area where seven in ten households contained no-one in work. Where nearly half of people had never held a job…The pilot gave intensive support to a group of participants. After 18 months more than a quarter are now in work and well over half are engaged in training or work placements.

[Lyn Brown]

We will evaluate this pilot closely. But I am clear that in the future, working with the Department for Work and Pensions, approaches that bring housing, training and employment together should be the rule, rather than the exception."

I welcome the Government's understanding of the interconnectivity of people's social and economic circumstances that impact on their ability to work and thrive. I am making a call to action across Departments—the Government must take the right actions to help individuals and communities back to work. However, I believe that we have failed to consider properly the impact of a tax and benefits system that delivers a most extreme manifestation of the poverty trap.

My constituents are virtually imprisoned by the excessively high rents charged for temporary accommodation, which those on low wages can afford only because they are subsidised by the housing benefits scheme. We are talking about rents of more than £350 a week—not for a palace or a mansion but often for a two-bedroom flat above an insalubrious parade of shops or take-away establishments.

On one level of key importance, our Government are attacking the problem at the root by accelerating the creation of affordable housing. Housing that is available at a social rent will significantly improve the life chances of many of the people whom I represent, in all kinds of ways and not just in their ability to work. Additionally, I am pleased to welcome the small but significant step that has been taken in the right direction to reduce the depth of the poverty trap by disregarding child benefit as income when housing benefit is calculated. I believe that is an astute move, and I shall certainly support much more of the same.

I also welcome the Government's undertaking to engage positively with the report of the London child poverty commission, and the review of working age housing benefit and its effectiveness in promoting work and fairness. I hope that someone from that review will take note of what I have to say today.

My message is that the housing benefit system is in desperate need of reform. To illustrate my concerns, I want to tell the story of a constituent of mine, a lone parent in her early 40s, who was working as an administrator at Guy's hospital. She was renting privately and had good prospects, having been offered a promotion and additional hours. She wanted to purchase a property under the key worker scheme and was eligible to do so, but the high cost of living and private sector child care meant that she could not get a deposit together. However, she was still optimistic: she was still ready to go for it, and she came to see me to talk about the options available to her. It was gut wrenching for her that she could work only 16 hours a week and was thus not able to take up the promotion that she was being offered.

She then had to move out of her property because her landlord wanted to sell it. Her circumstances were really awful, through no fault of her own. She joined a scheme that allowed her a social rent for her home, but it was short-lived. She and her little girl found themselves in bed-and-breakfast accommodation, and things went downhill from there. From the bed-and-breakfast accommodation, she was moved—with debts—to temporary accommodation, and her rent escalated.

Her rent for a two-bedroom property—which is mostly paid by housing benefit—is £355 a week. She went to the citizen's advice bureau and asked for a calculation of her in-work entitlements. She was really struggling to make ends meet and could not work out why she was not able to survive. It was explained to her that she would be only £50 a week better off in work, although that estimate did not include transport costs. She had to travel only a short distance on the Jubilee line, but unfortunately her transport costs came to £100 a month, which meant that she would be worse off working.

I hope that the House will bear it in mind that I have set out only the up-front costs involved. Working incurs many more costs that are not included in Jobcentre Plus calculations of in-work benefits. For example, a person's eligibility to claim free school meals can be forgotten, and that can have a large impact on their finances. Sometimes, too, factors such as travelling time are not calculated properly, and that can have an impact on the amount of child care that has to be paid for. I hope that hon. Members will remember those little illustrations as I continue my speech.

My constituent is not working at the moment. She simply cannot afford to keep the roof over her head for herself and her child. She does voluntary work for a small charity to keep her hand in—ironically, it provides advice on employment and benefits, as well as running activities for children.

My constituent has told me about the depth of her despair. She said that the events that I have described came at a time of her life when she wanted to progress. She said that she is

"trapped in benefits, prevented from returning to work—all my wages would just go to pay the rent and I would be worse off."

She had been on the housing waiting list for four years, and she has been bidding under the choice-based letting scheme for three years. She has been told that it will take a minimum of between five and six years for her to be rehoused in permanent accommodation. She contacted the council's homeless persons unit and has repeatedly asked to be rehoused in a property that has a social rent as she is desperate to work. Unfortunately, the unit could do nothing to help her.

Mr. Lee Scott (Ilford, North) (Con): Does the hon. Lady agree that people in her constituent's situation are not helped by the bidding process? It actually works against them and they go further down the list, as other people outbid them for properties. That is certainly the case in my constituency.

Lyn Brown: I take the hon. Gentleman's point. In his constituency and in mine, the problem is supply, not that bad people are operating our council lists. There are too many people for too few properties, so we need to find a way of increasing supply to stop that.

John Penrose: Does the hon. Lady agree that it is not just a question of sorting out supply, as that will inevitably have to be a fairly long-term solution to the problems she describes? Another alternative, which might be quicker to achieve, would be to reform housing benefit, notably to make it substantially simpler to administer so that we do not have the long lead times at the start of claims that my hon. Friend the Member for South-West Bedfordshire (Andrew Selous) mentioned. There should

be much greater transparency in the calculation of local housing allowances; at present, they are largely secret, so when they are set too low, which sounds as though it may be one of the problems faced by the hon. Lady's constituent, there is little comeback. Finally, withdrawal rates for housing benefit can be incredibly rapid, and the combination of that with other parts of the benefits system makes it extremely difficult for some people to remain in work—they are less well off in work.

Lyn Brown: I thank the hon. Gentleman, who pre-empts the content of my speech, as I was about to complain massively about the housing benefit taper. However, I was planning to take a long time doing it, to prolong the pain for my Front-Bench colleagues in the hope that it might bring about the change that I want.

My constituent is a woman of positive outlook. She has been a health service administrator and she wants to make her own way. She wants her child to witness and copy her work ethic and get on in life. She knows that being out of work is not a good example for her little girl. She is skilled, articulate and motivated. The last thing she wants is to be caged in unemployment for years to come, but that is her position. That pernicious, self-perpetuating cycle of dependency on housing benefit traps a significant number of my constituents in temporary accommodation and out of work. More than 4,000 households in the London borough of Newham alone are living in private sector temporary accommodation, which costs about £70 million a year.

Those people have years to wait before they can expect to receive a council property; the average wait for a three-bedroom property is 13 years—and we have 25,000 families on the housing waiting list. I have heard from constituents who have asked their managers not to give them a pay rise, as after the recalculation of their housing benefit they would be worse off. Other constituents would like full-time work, or to increase their hours, but they have discovered that if they work additional hours they may lose financially once housing benefit is withdrawn. I could tell many similar stories.

When people talk to me about returning to work, there is hesitation—I admit that to the hon. Member for Broxbourne—but not because they are feckless; they are fearful, in most cases rightly, that they will not be able to manage financially. There may be people who would advocate that my constituent returns to work despite being advised that she will be worse off by £50 a month, so I want to enlarge the picture to include other women I have met during my time as MP for West Ham.

I attended a focus group—for want of a better word; it was not a focus group, but I describe it as such because Members will know exactly what I mean—looking into regeneration for an area, and I interviewed two groups of women separately about their living conditions. I asked them what they wanted to see improved in the area and what steps they thought we could take to improve their prospects. We talked about the obvious things—schools, nurseries, child care, education, antisocial behaviour and health. Then I asked about work, and I did not expect their reaction. I was shocked to discover that eight in 10 of those women had heard and responded to the Government's call to return to work but after a period of only months they had to cease working, completely defeated. They found themselves in increasing debt, unable to manage the costs of working, which included housing, child care, school meals and transport. The calculations that had been made for them by professional advisers had been inaccurate or perhaps overly optimistic. Those women expressed complete devastation and despair that they had been defeated. Their confidence had been absolutely shattered by the experience. Before they went back to work they had not been in debt; they had found ways of managing. After going back to work they found themselves saddled with costs that they had not foreseen and they tried to soldier on hoping it would all work out—but it did not and it has left them crushed.

Despite recent falls in the rate of the probability of leaving work, lone parents are still almost as likely as non-lone parents to leave their jobs. One in five lone parents who leave income support return to it within six months; more than quarter do so within a year, a third within two years and almost two fifths within three years. Lisa Harker's report on child poverty projected that if the rate of job exits among lone parents was reduced to that of non-lone parents, the Government's target of 70 per cent. employment could be met with no increase in the number of lone parents entering work.

For some women, the loss of help with child care costs, rent and tax credit can mean that they face a marginal tax rate of 96 per cent. At the centre of that marginal tax rate is housing benefit and the problem centres on the 65p in the pound withdrawal rate of housing benefit as income increases. The Hills report, to which I have referred before, stated that a couple with two children paying a typical private rent of £120 a week—please; in my constituency we are talking circa £350 a week—would, as a result of reduced benefit and tax credits and a higher rate of national insurance, gain only £23 if their earnings rose from £100 to £400 a week. There is simply no incentive.

Lynne Jones: Does my hon. Friend agree that the Government would do more to achieve their target of helping more lone parents into work if they concentrated on overcoming the barriers to work and the difficulties of, for example, obtaining high quality reliable child care than by introducing sanctions and putting pressure on lone parents that could result in their losing their benefits?

Lyn Brown: I thank my hon. Friend for that intervention. I want a package that suits people's locality. The workless population in West Ham is high, but there are reasons for that and we need to tackle them. One reason is the impact of the housing market on my community; people have to pay high rents. Another reason is the affordability of child care on a low wage. Even on the London living wage, it is hard to afford to live in our high-cost capital. The barriers will not be the same in other parts of the country, and we need an intelligent approach so that we can begin to overcome them.

For those in my constituency who are in temporary accommodation, and have high rent to pay through housing benefit, the impact of the Hills calculation is even bigger. In July, in his previous ministerial role at the Department for Work and Pensions, my right hon. Friend the Member for East Ham (Mr. Timms), my constituency neighbour, announced questions that the Government's review of housing benefit would seek to answer. They include: does it help people into work?

[Lyn Brown]

Does it promote financial independence? Is it fair? Is it giving the taxpayer value for money? I may be pre-empting the conclusions of the review, but at present, I believe the answer to all those questions is no. From the experience of my constituent and others like her, it is clear that housing benefit actively hinders people in their struggle to get into work. It may promote financial awareness, I suppose; after all, many of those trapped on housing benefit have learned the hard way that they cannot afford to work and pay private sector rents. However, it does not give financial independence to those receiving benefit, as they are more likely than not to be trapped in a cycle of housing benefit dependency.

My constituent's story, which is but one example of a much wider problem, shows that the system penalises many people in such situations. Pumping vast sums of taxpayers' money—about £15 billion per annum—into the pockets of private sector landlords by paying the extortionate rents demanded is not good value for money. In many areas, such as mine, those vast sums of money can significantly distort local housing markets. Tapering housing benefit at a slower rate may prove to have the most immediate impact on the situation, even if only in certain regions such as London, until the large numbers of additional affordable houses funded by the Government are delivered. The London child poverty commission recommended a proposal to reduce the 65 per cent. withdrawal rate. As housing benefit calculations are based on income, net of deductions and additions, making it more generous does not have knock-on effects elsewhere, unlike changes to the tax credit system.

Pilot schemes, such as the working futures programme, which was partly conducted in my constituency, tell us what we already know: if families can access affordable rents, as a result of being provided with social housing, or housing at sub-market rates, they can afford to work, and often do. They want to do so. The people who come to see me want to work. The report's conclusion—that block-grant subsidies to keep rents at sub-market rates are cost-neutral—suggests that it would clearly be worth implementing a similar scheme on a larger, longer-term level.

We, as well as benefit claimants, have a responsibility. Our responsibility is, first, to minimise hardship and, secondly, not to discourage independence and work. Rather than concentrating on choice for those who have less choice in a year than some of us had at breakfast this morning, we urgently need to take hard structural measures to reduce the impact of the property trap, which drives people from work and keeps working families in poverty. Housing benefit is central to that.

Most hon. Members on both sides of the House would agree at a fundamental level that the benefits system should incentivise work and provide a safety net for all. In its present configuration, in my constituency, the housing benefit system does not do that. I hope that the Government's review will seriously explore possible methods of ensuring that it does. If housing benefit did all that, it would help to restart the stalled project to reduce child poverty in London; in contrast to the rest of the country, we have sadly seen very little improvement in that respect since 2000.

3.13 pm

Mr. Dai Davies (Blaenau Gwent) (Ind): I am pleased to follow the hon. Member for West Ham (Lyn Brown). All of us, no matter where our constituency, can appreciate what she said this afternoon. My constituency has one of the highest rates of incapacity benefit claimants in the country, so the Green Paper's proposals will have a significant impact on the people who live there. The high level of IB locally probably relates to historical issues to do with mining and the steel industry, which go back many years. However, as we have heard this afternoon, all of us support a work ethic for individuals, and we must do all that we can to help those who can work to get into work.

On those lines, one issue that we have not really touched on this afternoon is the role of the general practitioner. The hon. Member for Broxbourne (Mr. Walker) spoke of our role in encouraging people into work. A lot more work needs to be done on general practitioners; certainly in my area, for many years they have perhaps seen the benefit system as somewhere for people to go, because there are no jobs. We definitely have to expand on the role of GPs in persuading people that the best medicine for them is probably work. Having said that, at present, the availability of work in my constituency is limited, to say the least. As manufacturing has taken a significant nosedive, we have been left with the service industry, which in the couple of months—or probably the year—ahead will experience a significant decline. I accept that we must do what we can to find work, but it will be difficult.

A lot of work needs to be done on social enterprise. A great deal of European funding has come into my constituency for that purpose, but we have only scratched the surface of encouraging people to be entrepreneurs and to set up their own businesses. We have heard a lot about small businesses, and help for them, in the past couple of months, but representatives of two such businesses have come to me in the past week, and loans from the bank are not a help to them. They are struggling to pay back what they already owe. It will be a huge problem to turn around some of the small businesses.

One of our major problems with access to work is transport. My constituency is among those with the lowest car ownership rates in the country. We have to try to get bus service providers to see that agreements allowing them to drive into industrial estates would benefit them, as well as other people. Many of our bus services drop passengers off far from those estates, and people literally have to walk miles to work if they do not have their own transport.

Another worry, given the present circumstances and the problems that we are likely to hit next year, is loss of income. Many families in my constituency survive on the minimum wage. A lot of people on incapacity benefit have a certain standard of living at the moment. The figures have been quoted this afternoon; if some of those benefits are to drop, it will have a significant impact on poverty in my constituency. It would cut the amount of disposable income available, so the local economy would experience a downturn, too. All those issues need to be considered carefully.

My constituents regularly complain to me about the way in which they are told that they are fit for work. A general practitioner, or even a hospital specialist, will

say that a person is unfit, but then a board of individuals who have perhaps never seen the person before may decide, within an hour and a half, that the person is fit for work. We need to overcome that issue. The lack of joined-up thinking about whether a person is fit for work is still a huge barrier. Another concern is the board's understanding of medical conditions. We have heard about mental health issues, but boards may not have the experience and expertise to understand how other conditions, such as diabetes and addiction, affect people's lives. We need to be mindful of that.

In my constituency, we are struggling to provide support services, including adequate child care, which we have heard about this afternoon, and training. Training centres are under threat as we speak. The voluntary sector is probably one of the areas that not only helps with training, but could be bolstered by people coming off benefits. Borough councils, and especially social services, have a huge role to play. The links with social services are important in supporting people who are looking to get back into the employment market.

My biggest worry about how we tackle the issue is the target-setting mentality. I worry that jobcentres are given a target for the number of people that they must get off benefits. It worries me that people may be coming off benefits not because they are fit for work, but because Jobcentre Plus, or whoever—there are other organisations involved—have to hit their targets. That is a major concern. I had a constituent of 61 years of age, who had been on benefits for some 15 years. All of a sudden, he was told that he was fit for work: he may have been, but the shock was immense. When he walks into a Jobcentre Plus office and sees young people sat around the room, he will wonder why he is being targeted. That is why target-setting worries me. For those who can work, there is no problem, but we must be mindful of the way in which we achieve it.

There will be further pressures on Jobcentre Plus, as we have heard, and its role in working with many agencies will be critical if the Green Paper and its plans are to succeed. I honestly believe that shutting Jobcentre Plus offices at this time is a mistake: to lose their staff's expertise and experience will do nothing for the people whom we represent. I also worry about the further privatisation of the welfare state: putting the lives of our people in the hands of those who are there to make a profit is a real concern to me.

I urge the Government to listen to the words of the Social Security Advisory Committee, which has many concerns about the Green Paper, and to listen to, and negotiate with, the trade unions that represent the people who work at the sharp end, because, if we do not listen to the people who work in the incapacity benefit system and to those whom it affects, we may end up making very grave mistakes. There will be a negative impact—certainly on constituents in constituencies such as mine.

3.20 pm

Nia Griffith (Llanelli) (Lab): We need to look very carefully at why there are 600,000 vacancies, yet there are people who are not in work, because it is not always as easy as it might seem to match up the two. I shall begin by referring to our record and by asking: how do we make people go to work?

The first important thing is to have work for them, and the general economic situation over the past 11 years has provided opportunities where there were none before. In my constituency, there have been far more opportunities in the past few years than there were previously. Secondly, we have to make work worth while. The national minimum wage has been absolutely key to making going to work worth while for people, so keeping and increasing it must be a priority. There was enormous opposition when we first mooted the idea. The world was about to end, we were told—everything would collapse, everybody would be unemployed and nothing would function; it was a total impossibility. However, we looked at other countries where it worked perfectly well, had the courage of our convictions and went forward with it, and the fact that now nobody is expected to work for less than the minimum wage has made an enormous difference.

Working tax credits have made an enormous difference, too. One can earn a certain amount of money and the working tax credit and child tax credit help to make that income more worth while. We must be mindful of the fact that, without those systems, it is very easy for people to fall into the poverty trap of not being able to work because, with the additional costs that work brings, they cannot afford to make ends meet.

Flexible working has also been important in helping people into work. It is important that we recognise the needs of people, such as carers and parents, and the fact that trade unions such as the Union of Shop, Distributive and Allied Workers, of which I am a member, have done a good deal of work. The way in which we have treated paternity and maternity leave has given people more opportunities to go back to work, to remain in work and to continue to do jobs that they enjoy, while having a family. However, we can still do a lot more, which is why we will shortly bring forth the draft equality Bill.

Although there have been improvements since 1997, it is true that disabled people are still more likely to be out of work than those who are not disabled, that one is still less likely to find work if one is from an ethnic minority than if one is not, and that among the over-50s there is still a feeling that their age counts against them when seeking work. That is why the Government are preparing the draft equality Bill, which will strengthen protection against discrimination and advance equality.

We all recognise the serious worldwide economic situation that we face, and it is difficult to predict how it will work out in the different job sectors. We know that even before the current difficulties our manufacturing industries faced severe competition from cheaper locations abroad. All those issues lead people to be anxious about the future, which is why Government action and support at this time is absolutely vital, and why we need to maintain our public spending programme and starting levels in public services, such as the national health service, education and the police force. It is also why we need to maintain our capital expenditure programmes, and not abandon them. That, in turn, provides jobs for the private sector. Thousands of private sector firms, large and small, depend on public service contracts or on work that they are going to do for public capital expenditure projects in order to maintain their incomes. It is far better for us to pay people to be in work and paying taxes than it is to support them through unemployment benefit.

[Nia Griffith]

I believe that our borrowing can be justified, because we have reduced our public debt considerably, from 43 per cent. of gross domestic product in 1997, to 37 per cent. last year. If we look at how we compare with other countries, such as Italy, whose debt is 101 per cent. of GDP, and the relatively strong economies of France and Germany, which have debts of more than 50 per cent. of GDP, we realise that we are in a strong position, and can take on more borrowing. When people talk about our economy slowing down more quickly than the economies of some other European Community members, they must remember that our economy has been like a jaguar—like a cheetah. It has raced ahead, and while it may be slowing down a bit, it is still working well and going faster than some of the more elephantine economies in the eurozone. Although we may be slowing down more quickly in relative terms, we are still doing better than many of our European neighbours.

We know that in spite of all the efforts to keep the economy going, however, there will be some redundancies and some sectors will be badly hit, so it is important that we have strong Government support for those who face losing their jobs. They are often highly skilled workers with many years' experience, and that is why I welcome the £100 million of new money that will go to retrain people and help them find alternative employment. I know, too, that many people worry very much about losing their homes; it is their first worry when they hear that they might lose their jobs. They desperately want to keep a roof over themselves and their family, so it is important that we have introduced that measure, because it will help people considerably.

We have also brought forward, from 39 weeks to 13 weeks, the amount of time that one must be out of work before one can start to claim mortgage help, and we have raised the capital amount threshold from £100,000 to £175,000, in keeping with the average price of a home these days. Those measures are extremely important, because, often, the home is people's first worry.

It is also extremely important that we are strengthening the Jobcentre Plus rapid response service to ensure that it can respond when there are major job losses, and I pay tribute to the excellent work of the Jobcentre Plus staff in my constituency. The work of personal advisers in helping people get back to work is absolutely invaluable. Many of our employers have also been helpful, particularly when dealing with people whom we might call very hard cases. The employers have had to have the patience of saints to encourage, cajole and help those people to overcome the considerable difficulties of returning to work. It was a great pleasure for me to attend an awards ceremony not long ago at which those employers were rewarded for the work that they do.

My local Jobcentre Plus has also managed to access some European convergence funding for a "want to work" programme. That dovetails very well with the Department for Work and Pensions programmes for getting people back to work, and it will be particularly effective in the Community First wards in my constituency. Those include Tyisha ward, Glanymor ward, Bigyn ward, Felinfoel ward and Llwynhendy ward. It will help considerably in enabling people to go back to work.

However, I would like to sound a note of caution on dealing with lone parents, which needs to be done sensitively and cautiously. Any system of sanctions will affect the child as well as the parents. We therefore need to use encouragement, help and support to get lone parents back to work, rather than a system of punishment. We also need to consider carefully the different factors affecting whether lone parents can work or not. We must accept that parenting is an extremely challenging role, and that it can be exhausting for a lone parent. Not only are they the only parent; they are also the only adult doing everything else in the household. That, in itself, is a full-time job. It is easy for us to look at a highly paid professional who has a car and who can do a few hours' work, combine it with well-paid child care and organise their life, and forget that that is not the reality for those with the fewest skills.

The problem for those with the fewest skills is that their earning capacity is limited. They therefore have to work longer hours to make ends meet, and they often face difficulties with transport. In some of the outlying areas of my constituency, for example, the costs and the time factors involved in leaving children somewhere, getting to work and getting back from work in time to pick up the children can be extremely complex. That can make things very difficult. It often precludes children from being able to attend a breakfast club or an after-school club, because the transport times do not enable parents to return in time to pick up their children.

Andrew Selous: I am listening with great interest to the hon. Lady. She has made the point that many single or separated parents have to do everything themselves. Does she agree, however, that we need to move towards a much greater culture of co-parenting in which—in those circumstances in which it is safe to do so—we ensure that both parents share the load? In that way, a mother who has her children with her would not need to do everything, because the father would be coming in to do his bit to help her.

Nia Griffith: I should just like to point out that, when my father was widowed, I saw what it was like to be a single parent. As the eldest child, I also saw the responsibility that that situation places on the eldest child. Certainly, sharing parenting is very important, but we need to recognise that that is not always appropriate or possible.

I want to move on to the issue of child care. Not every school has a breakfast club or an after-school club. That is another difficult issue that we need to tackle when we are dealing with lone parents; we need to find out whether those facilities exist. That is why it is important that the Minister develop the encouraging statement that she made earlier that the circumstances of each individual would be taken into account before considering any form of sanction. That is extremely important, and something that we really must stick to. It has worried me that, last week in a statutory instrument Committee, the age of the child in the requirement for a lone parent to go back to work was lowered. I do not want us to go any further in that direction in relation to sanctions. We need to use encouragement, help and support, for the reasons that I have already outlined.

It worries my constituents that, of the people who are on benefit and among the now small number who are unemployed in my constituency, there is a very small

minority who are playing the system. We need a welfare-to-work programme for such people. We need to make it absolutely clear that when people are fit and well and able to work, they should be encouraged to do so. There is a place for stricter measures for that very small minority who continue to play the system. In general, I very much welcome our Green Paper on welfare to work. I think that it represents the right way forward.

3.33 pm

John Howell (Henley) (Con): I want to make a number of points about the welfare programme and, in particular, the flexible new deal. Before I do that, however, I want to pick up on a point made by the hon. Member for Cardiff, Central (Jenny Willott). She mentioned the difficulty that people in rural communities experience in accessing a Jobcentre Plus. That is a worry not only for the moment but for the entire approach to this programme. Many of the providers that she mentioned have very little experience of delivering these products in rural communities. They have a good base in the urban communities, but they have no experience elsewhere. When talking to those providers, I have been conscious of the fact that, although they are aware of the differences and the additional costs involved, they do not really have a handle on the quantification of those costs and difficulties.

The Government models that I have seen so far have been largely based in urban areas. However, we do not have to go too far out of our cities—just 50 miles down the road from here to Henley—to see a constituency many of whose areas are already quite rural. I foresee a cost problem in Henley. We are already seeing a cost in terms of the claimant. If someone lives in a village for which there is only one bus once a week, they have no option but to use other transport, and that has a cost. There is also a cost to the providers that will operate there. Rural areas also have difficulties arising from distance and isolation; there are fewer opportunities to look for ways of getting back into work, and in many cases the economy is more on the margin. All those factors mean that, overall, more effort is required to achieve fewer outcomes.

The final difficulty with the Government's approach is one of customer choice. One hopes that customer choice works well—particularly within the flexible new deal—in an urban setting, where different providers operate and there are real choices. However, that will not be the case in rural areas, where it will not be profitable for many providers to work at the same time. I would like the Minister to say how rural issues are to be tackled. Will he encourage some sort of differential in targeting rural areas? The problem is serious.

I turn now to the overall scheme. I have difficulties with how it is structured—that probably owes something to my background in management consultancy, a discipline that likes things to be just so and in place. I am happy, however, with the idea of a scheme being based on outcomes. In this case, the outcomes are essentially based on getting into work and on that work being sustainable. The difficulty is that, as the providers to whom I have spoken acknowledge, those outcomes are not easy to measure and we will therefore rely increasingly on proxies that bring us back to delivering something equating to those measures.

I have no problem with such proxies, although it is difficult to see which will be chosen. A proxy of getting people off benefits is an approximation to getting people into work, but it is clearly not the same. Combining that with tax information will add to it. If I understood him correctly, the hon. Member for Kingswood (Roger Berry) made a point about one of the things of which I have become wary, particularly given that I have seen how it operates in the Netherlands. One proxy is to put the emphasis on the tender rather than on one of the other proxies. The difficulty with that in the Netherlands has been that it has skewed the whole system so that it focuses no longer on outcomes but on measuring proxies.

In the Netherlands, a whole system and bureaucracy have grown up that measure not the outcomes but the tenders; the tenders are tightened up all the time. In that way, any innovation is squeezed out of the system. That is partly because the measurement systems are not got right at the beginning, but it also comes from the enhanced suspicion and mistrust of the private sector that there often is when such schemes are put together. So we end up with more inspection regimes and a need for more funding and bureaucracy. We also end up with a post hoc justification of success, which is never a good idea if these schemes are to be successful in reaching the people whom they should be reaching.

As regards the hard-to-reach groups, we heard a request for early intervention and for the scale of that intervention to be much larger than originally envisaged. There is a third element, however. I detect a sequential approach to people who have difficulties other than being unemployed, whether those difficulties be drugs or lack of literacy, whereby the mentality is to tackle those problems first before moving on to the problem of unemployment. Having seen the situation in the Netherlands, I think it would be a mistake to continue with that. It is necessary to tackle the problems simultaneously. As we have seen from examples not only in the Netherlands but elsewhere, it is entirely possible to tackle the problems of literacy and drug abuse while somebody is in a job, so that the whole situation becomes a virtuous circle feeding into the individual getting to where we want them to be, and where they want to be, much earlier.

I made some remarks about skills in a topical debate a few weeks ago, but as only one Labour Back Bencher was present throughout the entire debate, I have no hesitation in giving the benefit of my wisdom to the larger number who have turned up today. The point that I made, which the Minister said that he would take away, concerned the need to address the lack of flexibility and granularity in skills programmes such as Train to Gain. The skills agenda must be matched with the skills needs of business and of an area as a whole. My constituency has less than 1 per cent. unemployment and a high-tech, high-end business sector. It therefore has fundamentally different requirements in terms of the skills market from other, less fortunate areas. The one-size-not-fitting-all approach is demonstrated superbly by comparing my constituency with another that is less fortunate. Unless we put flexibility into the system, we end up losing the competitive advantage in areas that have high-tech, high-end businesses and need those skills.

Small and medium-sized businesses in my constituency are already showing commitment. They have an extremely good reputation for providing training

[John Howell]

for apprenticeships and beyond apprenticeships into the future. The Conservative proposals for more workplace apprenticeships, including a £2,000 bonus for each apprenticeship, are welcome. More importantly, we can help small businesses in this regard. Big businesses are able to help themselves. When I was a cabinet member on a county council, my job was to restructure many aspects of the council, which meant getting rid of a number of posts. One way of doing that while retaining the skills that had built up was to set up a job-finder service within the organisation. That works well in large organisations but is clearly impractical for SMEs on their own, but we can encourage them and provide them with the resources to develop self-help schemes that can produce the critical mass to enable them to operate similar schemes.

In the summer recess, I went to work for a day at the local jobcentre that covers the southern part of my constituency. It was an interesting experience. Only one individual was too aggressive for the ladies who were dealing with him to cope with, and given that I have to face similar situations at surgeries, I felt perfectly qualified to be able to deal with it myself. I have to echo the comments already made about the staff at Jobcentre Plus; I have enormous admiration for the patience and diplomacy with which they deal with people.

Perhaps the most heartening experience of the day I spent working there was that of a young single mother who had rushed to the job centre within hours of getting a job because she could not wait to get signed off and to get on with her life. It would be nice to feel that any welfare-to-work system could bottle up that enthusiasm and independence and help to spread it. That is a good example of someone wanting to work and of support being provided through an opportunity to get out of the welfare system, which she clearly hated being involved with, and to get on with her own life.

3.45 pm

Mr. Mark Todd (South Derbyshire) (Lab): Before I make the four points that I intended to make, I shall mention something raised earlier in an intervention. We face a recession that may be quite severe, but I would not commend as appropriate a xenophobic policy response that focuses on narrowing opportunities for those from overseas to work in our country. It has not been particularly edifying to see a certain amount of competitive spirit applied over that instinct. There are reasonable immigration controls, which I am perfectly happy to support, but the tenor of the debate on that matter has not been helpful to those who want a thriving economy based on appropriate skills, which are often delivered by people from overseas, or those who want a more tolerant society.

I shall now move on to the substance of my speech. The hon. Member for South-West Bedfordshire (Andrew Selous) sat through an Adjournment debate I initiated on a topic relevant to today's debate—flexibility on retirement. I wish to refresh the memory of those on my Front Bench on some of the issues raised. Many of those who seek to work beyond 65 do so for entirely understandable reasons. They actually enjoy their life, and correctly recognise that a certain amount of work in older age is good for people. An active retirement is a positive contribution to longevity, and we should try to have systems in place that permit such retirement.

My Adjournment debate of two years ago focused on some of the things that we are getting wrong. I cited the example of a constituent—a marvellous man, who was 74 then and still a truck driver. He had just been injured, but talked at length to me about how much his job meant to him, and how we should have a society that encourages such behaviour. There are three little things that we could do to make matters easier. First, if an employer employs someone of that age, they continue to pay national insurance, even though the contribution to the state pension is redundant at that point—the person in question has normally fully paid up over the number of years that they have accumulated. It would be worth considering the national insurance obligations for employers of people who have gone beyond the point where maximum contributions can be achieved. Secondly, if a person defers their state retirement pension, they currently get a pound-for-pound reallocation of that saving towards their future pension. To be honest, that is a pretty substantial understatement of the benefit that they are creating by continuing to work. It would be reasonable to attach some premium to a person's postponement of their claiming of the state pension, to facilitate their willingness to continue to work.

Thirdly, there may be merit in applying some fiscal measures to incentivise working beyond 65. I have no shame in returning to that topic. It is partly about individual liberty—we are permitting controls that employers enforce to drive people out of work at 65 when they are willing to continue—and partly about flexibility in our economy.

Let me give another example—I fear that not all these issues are linked, but the broad nature of the debate presents an opportunity to raise a range of topics. Derbyshire county council has drawn to my attention its difficulty in recruiting crossing patrols—lollipop ladies or men—and the problem of allowing someone to combine that work with claiming a benefit for which they are eligible. As I said in an intervention, we should examine the disregards that we apply to people who claim specific benefits to permit them to carry out such activities. The case that we are considering involves relatively few hours and rather modest pay. There are strong therapeutic arguments for such an approach in the case of someone who qualifies for benefits related to incapacity benefit, and there are obviously strong social advantages. To be honest, the loss to the Treasury is likely to be modest.

Such changes are worth considering as the minor adjustments necessary to open up opportunities at the edge of job markets for people who currently do not find it worth while to take on work. I should have made my next comment before my hon. Friend the Member for West Ham (Lyn Brown) left her place, but she made an incredibly good speech about the marginalisation and exclusion that some people face. I am speaking, on the whole, about more fortunate individuals, relatively speaking, but we are considering the charmed circle of admission to work in our society and trying to find methods of building outwards and creating opportunities that are good for individuals and society.

It is good that one or two hon. Members who take an interest in the next subject that I want to raise are present. I know well the father of a now adult autistic boy, and I was struck by an earlier intervention about the difficulties that adult autistic people experience in

migrating to work. I have a letter, which I shall not quote because I have not asked permission to do so, but I am prompted by that intervention to refer to some of its contents. The writer's son has been trying to enter employment for nine years. His dad and those who saw him recognised that he needed help with that. He needed accompanying and appropriate guidance for a placement so that he could work effectively there. Sadly, despite repeat experiences, that has not been made available to him.

The latest letter was sad to receive, and gives the last such experience. Lengthy engagement took place with Jobcentre Plus, so that everyone knew what they were supposed to be doing. The son would turn up at the suggested placement and have an appropriate interview, which would suggest the sort of support that he might receive. The father and son turned up at the offices of the organisation involved, which was in the voluntary sector, presuming that Jobcentre Plus had provided a brief to the body about the son's needs. They found that the organisation had not been briefed and had little history to which to refer of the son's previous experience. There was a reference to a discussion with Jobcentre Plus staff, but it was not made clear with whom the discussion had taken place. The son was taken through a history of placements that bore no resemblance to those that he had attended. Reference was also made to a placement that he had never been on.

We are talking about a fragile young man who needed support to get into employment. He had experienced significant difficulties and frustration in the past and was unfortunately facing them once more, albeit fortunately with his dad, who could support him through that repeat negative experience.

John Bercow (Buckingham) (Con): The harrowing story that the hon. Gentleman is recounting will be widely replicated throughout the country, as the statistics attest, with somewhere between only 10 and 15 per cent. of adults living with autism in employment. Does he agree that helping people in that situation more effectively is right in terms of not only compassion towards and benefit for the individual, but benefit for society as a whole, which is cost about £28 billion a year by adult autism?

Mr. Todd: The hon. Gentleman is right, as he is very often. The point is not just about me feeling sad and compassionate; it is about a waste of a young man and his capacity to contribute to our economy and a waste of resources, in assisting him to stay workless, when with some imagination and proper information management, he could be helped and given an appropriate opportunity. As the hon. Gentleman rightly says, this is not just about compassion.

I maintain a regular correspondence with that young man's dad, who is a very capable man and who must find it most frustrating to deal with the problem repeatedly. I hope that we can reach an appropriate local resolution. The issue highlights the fact that the bold words used by the Minister about the level of available training and resources are perhaps more optimism than reality, at least on the basis of the experience that I have described and that of the hon. Gentleman, who knows far more about the subject than I do and who has quoted the reality.

The fourth issue that I want to raise is again completely different, but links to the speech of the hon. Member for Henley (John Howell), because it relates to keeping people in work and close to the job market and providing them with the appropriate skills that they need. I have done some work on the issue with a body called the midlands engineering industry resource group, which was an excellent project that provided a network of engineering employers to pass on job opportunities and training ideas when jobs in the sector were threatened. Unfortunately the contractors lost the bid for the project's continuance, but the basic principles remain.

I want to commend a similar project called the better west midlands project. One might say, "He's an east midlands MP, so why's he talking about that?" The reason is that I want it in my area, too. The better west midlands project, which is a partnership among various unions, the European Commission and the local learning and skills council, aims to deliver a range of interventions when jobs appear to be threatened, so that redundancies are consulted on.

The critical factor is union involvement, without which the typical position is to say, "We're going to bargain over redundancies, but we're not going to talk about any of the practical stuff to do with supporting people into future opportunities until we've gone through the consultation phase and resolved things." That can mean losing 90 days straight away. With the unions' participation, however, it is possible to launch into work on the practical issues with their support and enthusiasm, which includes the following: an initial assessment of the work involved; a Skills for Life screening; one-to-one confidential advice about future career options; a training needs analysis to work out where people are in their careers and what they might require to progress; the development of an action plan for people to follow; the provision of a certain amount of training and support to meet some of the needs that have been identified; referrals to specialist organisations, which may involve debt counselling and benefits advice; and help with job searches. That is excellent. It is an example of resources being targeted exactly as we will need them to be, I am afraid, during what look to be hard times. Such examples are not always available.

Sadly, when the unions involved approached the east midlands learning and skills council, admittedly a few months back, it produced the rather optimistic statement, "Well, we do not see too much call for that here." Most of us who heard that thought, "That probably was not entirely accurate then, but sadly it is not likely to be accurate in the immediate future." We will certainly need dedicated resources delivered in partnership with recognised trade unions, because that adds an additional edge to the capability of the project.

In all these areas, I am talking about protecting jobs and giving people individual rights to the opportunity to get a job in our society. As the hon. Member for Buckingham (John Bercow) said, that is not just because I feel sorry for people—although I tend to—but because that is the basis of a successful economy and a more robust society, in which we would all seek to live.

4.1 pm

Mr. Lee Scott (Ilford, North) (Con): Let me start by mentioning an issue that the hon. Members for Burton (Mrs. Dean) and for South Derbyshire (Mr. Todd) raised: getting autistic young adults and adults into employment.

[Mr. Lee Scott]

I want to cite a story from when I was a councillor involving a young man whom I had known since he was a child. He was quite high up on the autistic spectrum, but he had specialist attention. When he left education, a large company asked him to join its training programme. We move on a number of years, and that young man is in his 20s; he is holding down a job in that large company and he is succeeding. The company is making exceptions and showing the great understanding necessary in such situations. One day, when the young man did not appear for work, someone from the company went round to where he was living, asked what was wrong and talked through the problems with him. He was back in work the next day. That is an example of what can be achieved.

I am not suggesting for one moment that larger companies, such as the one in my example, need any help by way of resources to offer such support, but I would like that approach to be spread across the business spectrum. Any good employer should help some of the most vulnerable in our society to achieve the maximum that they can achieve, which is obviously different according to each young person and each adult's situation.

I welcome the Ministers to their new roles, and I thank their predecessors, who took a cross-party approach and met me to try to achieve such a solution. I do not believe that the issue is anything to do with party politics. If it is, it certainly should not be. We are talking about people's lives, and we are in the House to try to help. It is irrelevant which side of the House we sit on.

How can we encourage businesses—small businesses might need some assistance through tax breaks and so on—to employ the most vulnerable and help them through? I am duty bound to mention an organisation, and as its patron I have a vested interest—the UK Autism Foundation, which was recently formed by a good friend of mine, Ivan Corea. I first met him when, as a Labour party candidate, he stood against me in a council election. Fortunately, I won, but you cannot have everything, can you? We became great friends, and through the work that he has done, he has been an inspiration. I have been able to help him, in some small way, in that work. The organisation is looking to raise funds through charitable causes to help with that very problem—in my own area and more widely. I also thank the National Autistic Society for its help and good work.

I hope that Members will note that this subject is very dear to my heart, and I would like to further the cause by relating one other story from my constituency. Some residents complained to me about what they described as a nuisance neighbour, but nobody had spent any time with that gentleman or tried to find out what the problem was. I went round and found that this was not a nuisance neighbour, but an autistic person, living a lonely life on his own, who did not realise that his neighbours were being disturbed. We got them together and this person is now carrying out odd jobs for the very neighbours who had complained about him. That suggests that we sometimes need to look wider at the root causes of what might be happening when constituents complain at our surgeries.

The current financial crisis, particularly its impact on small businesses and unemployment, provides another important issue. A small business might employ only one or two people, but one of them has to be laid off in order to cope with the crisis. A few weeks ago, I was contacted by a business, although I shall not name the business or the bank involved. It is a very seasonal business, with more than 80 per cent. of its trade coming over the Christmas period of December and January. Every year, it had from its bank a facility of £250,000 to fund the stock. Once the credit crunch started, however, the bank recalled the money, asking for it back "tomorrow". The money was put into stock. It was a question of either giving the keys of the business to the bank as it was not possible to pay the money back or of the bank letting the business trade through the Christmas period so that it could pay the money back afterwards, with any interest, leaving money to live on for the rest of the year. Fortunately, another bank stepped in, but notwithstanding all that the Government are doing to encourage the banks to give money to small businesses, the banks are simply not doing so. I would therefore like to ask the Minister to use his good offices to speak to his Treasury colleagues to emphasise how important this facility is for small businesses—and perhaps sometimes for big businesses, too. The banks should certainly use the money they are being given more wisely to help the very people who are suffering from these problems.

Let me touch briefly on a number of other issues. I cannot remember who it was, but a Government Member spoke earlier about councils and the provision of social services packages—*[Interruption.]* Perhaps it was not even a Government Member; I am sorry. It is right that the problems differ from council to council. I know from my own London borough of Redbridge about the wonderful work that is done, but it does come down to resources. If the amount of money is finite, a council has to live with it. There are only two ways of getting the money: either through the Government of the day whose resources are finite, or through the council tax—yet we know that many people cannot afford rises at the moment. That has to be measured.

I am going to use some particular words now—I apologise to Ministers for not clearing these words with anyone—as perhaps some form of ring-fencing of moneys is needed.—*[Interruption.]* Perhaps that is why I am on the Back Benches—*[Interruption.]* I hear a sedentary intervention to the effect that I am apparently getting closer to the Front Benches.

The hon. Member for West Ham (Lyn Brown) and my hon. Friend the Member for Broxbourne (Mr. Walker) spoke about people attending their constituency surgeries. My hon. Friend and I regularly write to the Minister. Everyone who visits my surgeries makes worthy cases, so I shall continue to write to the Minister. All these people genuinely want to be in work. I would go so far as to say that at my surgeries I have never come across anyone who does not want to work. The key thing is to help them into work where it is beneficial so that they enjoy a higher income and a better standard and quality of life than they could through not working. It is also important that they are given the ability to work, either through training or through the help that jobcentres can provide. It is beholden on all of us to try to help people back into work; otherwise, we should hang our heads in shame.

4.9 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): On the evidence of this afternoon's contributions, I am sure that it is right to say that all Members share the Government's aim that no one should be written off. I entirely agree with my hon. Friend the Member for Burton (Mrs. Dean) that that aim should not be dismissed even if we are entering an economic downturn. However, the economic situation must be taken into account as we seek to achieve that aim, and there is some scepticism in all parts of the House about whether the programmes in place will be sufficient to achieve it in the current economic climate.

I agree with the hon. Member for Ilford, North (Mr. Scott) that there is little evidence that there are significant numbers of people who are unwilling to work if they can do so. Hard cases make bad law. As my hon. Friend the Member for Llanelli (Nia Griffith) said, we should have a system that supports and encourages people, and that helps people—many of whom will have been in a very depressed state, often spending excessive periods at home—to regain their confidence and to be included once more in society.

I entirely support the concept of the flexible new deal, but I am concerned about how flexible the support offered will be in reality. I earlier gave the example of a constituent who is working 14 hours a week. Although he would like full-time work he has been unable to get that, but his current employer says he will give him full-time work as soon as he can. In the meantime, my constituent is being forced to attend the jobcentre to sign on at a time when he should be in work; the appointment is at 4 o'clock, which is when his work finishes. He has found it very difficult to be able to leave work early and get to the jobcentre on time to sign on. He has asked his advisers whether he can sign on at a different time, but they have refused point blank to be more flexible. I wrote to the Secretary of State expressing my concerns about the implications of this lack of flexibility for other people—for people who may be more vulnerable than this individual. There is considerable concern among those in the welfare-to-work business that the cash available and the targets being set are so unrealistic that those who find it hardest to get jobs will face long periods of inactivity while under pressure to find work, and that they could spiral into depression.

I am particularly concerned about people with mental health problems or other fluctuating conditions. My hon. Friend the Member for Kingswood (Roger Berry) emphasised that although the new deal for people with disabilities and pathways to work have been successful in helping many people into work, they have been less successful in helping people with mental health problems. The Secretary of State acknowledged that to me and said he is concerned about it, but it is unclear what measures are being put in place to ensure that people with such conditions will not be placed under even greater pressure than they are at present.

Debbie Scott is the chief executive of Tomorrow's People, and she has said that

"with the budget on the table, it is a struggle to see how we would be able to get the hardest to help into work".

At present, Tomorrow's People receives between £2,500 and £6,000 per case, depending on the complexity of the needs of the person it is seeking to help. However, she says that significantly less money is being proposed under the new system—down to some £1,500. Dave Simmonds, chief executive of the Centre for Economic & Social Inclusion, a welfare think-tank, says that a further £1 billion is needed to allow for the likely increase in the long-term unemployed, now that we are entering a recession.

I am particularly concerned about the policies relating to lone parents, who are already subject to conditionality and have to attend work-focused interviews. David Freud acknowledged in his report that lone parents "want to work". Although he advocated conditions on their receipt of benefits, he said that that should be dependent on adequate child care arrangements being available. Conditionality is justified by pointing to countries such as Sweden and Denmark, where more lone parents are in work, yet there are several different factors at play in relation to lone parents in this country. They are younger and likely to have children, and they are more likely to live in poverty than their European counterparts. Crucially, UK parents contribute some 75 per cent. of the costs of child care, compared with 11 per cent. in Sweden. Parental contributions across the EU are between 25 and 30 per cent.

I, too, thought that my hon. Friend the Member for West Ham (Lyn Brown) made an excellent speech. She referred to people feeling crushed by the system, and I am concerned that that could be exacerbated by the move from income support to a system in which lone parents have to sign on compulsorily. I have seen the benefits of the new deal programmes and of supporting people into work. I have spoken to people who have been helped, and to staff at Jobcentre Plus and in the private sector, such as those at WorkDirections. They get tremendous satisfaction from the work they do in supporting people to achieve their ambition—most people have such an ambition—to contribute through the world of work.

However, if these programmes are worth while, conditionality should be a last resort. The threat of losing up to 40 per cent. of benefits, which are not generous in the first place, is going to make life very difficult. It will make vulnerable people's lives more difficult. My hon. Friend the Member for Llanelli explained very effectively the pressures that lone parents face in trying to take their responsibilities seriously. Some lone parents have a disabled child or a disability themselves. In fact, the statistics show that very few lone parents whose children are over 11 are not in work, and those who are not usually have a disabled child or a disability themselves.

The DWP is well aware of the problems faced by lone parents. In its 2005 five-year strategy, it discusses the failed work test in New Zealand, introduced without a good child care infrastructure. It said that

"we think it would be wrong simply to move lone parents from Income Support onto the Jobseeker's Allowance regime: an unrestricted requirement to search for work is inappropriate, given the complex and difficult circumstances many lone parents face…such an approach would be expensive, unfair and ineffectual."

That is why I ask the Government to look again at the recommendations of the Social Security Advisory Commission, which says that, although it has supported the programmes for lone parents in the past, it feels that the proposed changes will make life more difficult for lone parents. It says that, at the very minimum, those changes should not be introduced until a comprehensive

[Lynne Jones]

system of wrap-around child care is available. This is not just about the availability of child care; it is about the quality and reliability of that care. Although the Government have said that they will be flexible and that no lone parent will be sanctioned if it is clear that child care is not available, no detail has been provided about exactly what will be regarded as suitable and reliable child care. I would like the Government to address that point.

On the flexible implementation of these regulations, I also wish to highlight the situation faced by lone parents who educate their children at home. The Government policy is that such people have made a lifestyle choice. That may be the case in some instances, but I have had drawn to my attention an example where it has not been a lifestyle choice but a necessity. One of my constituents has written to me about his sister, who has a child with diabetes and Asperger's. She decided to take her child out of school when his blood-sugar level was discovered to be dangerously low because he needs four injections every day and he had not been receiving them in a timely manner while he was at school. He also had to deal with the added disability of Asperger's. She is very worried that she will have difficulty in continuing to support her child when the new regulations come into force.

Will the Government make it clear that they will make a distinction in respect of those parents who are educating children at home out of necessity and thus exempt them from the need to sign on for work? The Government's argument is that when someone is being educated at home, the school work and the school year can be disregarded. That is true to some extent, but one would hope that those children might have at least some relationship with other children in the locality and might not be treated completely differently. In addition, it will be more difficult for those lone parents to get wrap-around child care, because that is often associated with the school that the child attends. I hope that the Government will pay more attention to the needs of such parents.

Finally, I wish to flag up the fact that income-based employment and support allowance is more generous than contributions-based ESA in relation to permitted work. Permitted work is very important in helping people to move into the world of work. The permitted work regulations and the therapeutic work regulations need to be more flexible. I understand that people can continue on such programmes for only a limited time—12 months—whereas many people who have disabilities, particularly those with fluctuating conditions, may find that only small amounts of work can be coped with on a regular basis. Such programmes should be encouraged on a long-term basis if longer hours are inappropriate, and there should be no automatic cut-off. Again, the flexible new deal will perhaps address the issue—I hope so. I must apologise for the fact that I will have to leave the Chamber shortly to attend a Select Committee meeting, so I will not be able to hear the Minister's response. I will, of course, read it with great interest tomorrow when I collect my copy of *Hansard*.

4.24 pm

Andrew Selous (South-West Bedfordshire) (Con): We hold this debate at an opportune time as, sadly, unemployment is increasing at its fastest rate for 17 years. I join my hon. Friends the Members for Bournemouth (Mr. Walker) and for Henley (John Howell), and the hon. Member for Llanelli (Nia Griffith) in praising the work of Jobcentre Plus staff in trying to help our constituents to get back into work. I am also pleased that the hon. Member for Birmingham, Selly Oak (Lynne Jones) mentioned Tomorrow's People, because we should not forget those in what I call the not-for-dividend sector, who are also engaged in the very important work of trying to return our constituents to the labour market, or at least to get them more job-ready. The Opposition believe in a partnership approach between Jobcentre Plus and the not-for-dividend sector.

At this difficult time, we must do everything possible to boost employer confidence to help businesses weather the economic conditions. However, we can deal with those serious problems only if we recognise their scale and act accordingly with a plan to make the necessary changes. I had hoped for a slightly more serious recognition of the scale of the problems from the Under-Secretary of State for Work and Pensions, the hon. Member for Burnley (Kitty Ussher) who opened the debate. Without such recognition, I fear that we will not see the scale of Government action needed. She said that things have gone relatively well over the past 10 years. I think that she said, "So far, so good." I am sure that she is aware that unemployment in her constituency has increased by 27 per cent over the past year alone, and is 6 per cent. higher than in 1997. I am not sure, therefore, what her constituents would make of her remarks.

On 16 January, the Prime Minister boasted that this country had its best employment record in history. However, I wish to set out the real context of this debate, because I think that we have been lulled into a false sense of security about the situation in our labour market. The real level of UK unemployment is between 3 million and 3.5 million. How did I get to that figure? The International Labour Organisation unemployment count—the Labour party always used its figures when in opposition—is 1.79 million, and David Freud, whom the Government have quoted frequently this afternoon, said that 1.7 million incapacity benefit claimants want to work and should be able to do so with the right support.

In addition, 750,000 people are under-employed. We must not forget those who want full-time work and need more income, but who can only get part-time work. If the Government had recognised that, we could have had earlier and more urgent action on welfare reform involving personalised support to help people overcome barriers to work and creating a welfare system with a higher vision for the unemployed. It is frankly unacceptable that in some cases three or more generations of the same family have been lifelong benefit dependents when, with the right personalised support, jobs could have been found for them.

This is at a time when many hundreds of thousands of jobs have gone to people who have come to this country from overseas. In 2006-07, and the first half of 2008, the number of people in employment who were born in the UK fell by 365,000. However, the number of migrant workers finding jobs in the UK has risen by 865,000. I take issue with the comments of the hon. Member for South Derbyshire (Mr. Todd). I think that those are real concerns, and our constituents would be amazed if we did not mention them today—it was

another thing that the Under-Secretary did not mention, however. Those figures are an indictment of the Government's skills and welfare policies. Since 2003, a staggering 1.6 million national insurance numbers have been issued to non-European Union workers, which we can do something about.

Mr. Todd: The hon. Gentleman referred to my comments. However, the migrant workers he mentions have not been forced into jobs, but have been willingly employed by employers who—presumably—found their skills appropriate to the jobs on offer. I am puzzled by his economic logic.

Andrew Selous: I think that the hon. Gentleman and I are at one about the fact that, in an expanding labour market where there is genuine demand for many jobs, we can cope. It is a given between us that any advanced international economy will always have a certain amount of migration—that is, immigration and emigration. However, I ask him to consider the relationship between the hidden, real level of unemployment in this country—welfare—and the arguments about immigration that I have just set out. We need to think more seriously about the interrelationship between those three factors in a way that we have not yet seen.

During oral questions only this month, we learned that in Newham, where the Olympic village is being built, 20,000 new national insurance numbers have been issued to foreign workers. In London as a whole, three times more new NI numbers have been issued to foreign workers than there are young people under 25 looking for work.

On the subject of jobseeker's allowance, does the Minister intend to have any discussions with EU counterparts as to whether this country should carry on paying British JSA to EU nationals who have returned to their home countries and yet continue to claim? I think that many of our constituents will want to know about the signing-on criteria for those people. Will Ministers at least have a conversation with our European colleagues about that? I think that that is what many of our constituents would like.

What do we need to do about the current situation? Like many other hon. Members, I should like to pay tribute to the hon. Member for West Ham (Lyn Brown) for her excellent speech. She quite rightly raised the need to reform the housing benefit system, and to look at the whole issue of benefit traps, of which housing benefit is easily the most significant. I think that every Member here will have recognised similar stories from their own constituencies.

The hon. Member for South Derbyshire also praised the hon. Lady's contribution, and I can tell her that my party is looking hard at this matter, as are the Government. It is long overdue for serious reform, but we need to remember that jobs are created through enterprise and entrepreneurship. They do not grow on trees; they grow because people who have a vision, provide a service or manufacture a good are able to provide employment.

We need to look more seriously at alternatives. Recently, I have heard stories about some inner-city communities where there were very few formal jobs on offer. For example, one community, with some help from the local authority, was able to set up a new fast-food business. The people involved had worked out that a lot of money was going off their estate to fast-food businesses outside, and the new venture helped employ many people on the estate who were out of work. Another, similar example about which I heard recently involved the provision of social care for a community's elderly people. The people behind the scheme looked at the needs of the community and at those who did not have jobs, and managed to marry the two together. We need to keep enterprise and entrepreneurship at the heart of this debate if we are to deal with the problems that have been identified.

Skills are also incredibly important, and they have not featured prominently enough in our comments this afternoon. Only 28 per cent. of British workers have qualified to apprentice, skilled craft and technician level whereas, if we cast our eyes across the continent, we see that the figures for France and Germany are 51 per cent. and 65 per cent. respectively. How can the Government reasonably expect our businesses to compete on the international stage when they so consistently fail to provide a suitably skilled work force?

Earlier, the Under-Secretary of State for Work and Pensions, the hon. Member for Chatham and Aylesford (Jonathan Shaw) and I had exchanges across the Dispatch Box about apprenticeships, so may I put his mind at rest? My party wants 100,000 additional apprenticeships a year, and we will make it easier for companies to run apprenticeships. We are proposing a £2,000 bonus for each apprenticeship at a small or medium-sized enterprise, and we shall also provide an additional £5 million to make it easier for small employers to come together and form group training associations. In that way they will be able to pool their resources and talents to create and run their own apprenticeship schemes. We also plan to introduce a business skills development fund to promote the non-apprenticeship skills that businesses need and employees want. We are really engaged with skills, training and the types of apprenticeship that will lead to sustained work, which is what we need to talk about.

Welfare reform has featured throughout the debate. I have to chide the Government for making serious proposals only in their 11th year in office. The Conservative party made proposals before the Government did so. We want reforms in Jobcentre Plus so that, as soon as an individual enters the system, there is early assessment of their skills and the barriers to their working. We differ from the Government, who say that the work of private, not-for-dividend providers should begin only after 12 months. We think that the situation is too urgent to leave people without an early in-depth assessment.

We want individualised support to help people get back to work. That theme has featured throughout the debate, expressed skilfully by the hon. Member for Kingswood (Roger Berry). My hon. Friend the Member for Ilford, North (Mr. Scott) and the hon. Member for South Derbyshire spoke particularly movingly about autistic people—an issue about which my hon. Friend the Member for Buckingham (John Bercow) feels strongly, too.

I congratulate my hon. Friend the Member for Henley both on his excellent contribution and on recently joining the Select Committee on Work and Pensions, where I am sure he will make a valuable contribution. We shall note his warnings this afternoon about what the Netherlands has not got right.

[Andrew Selous]

We expect our proposed employment programmes and welfare reforms to provide much better job-search facilities, specialised training to increase suitability for work, personalised career and recruitment advice, with interview training with real employers, and greater help in preparing CVs. We believe that the private and voluntary sectors have something to offer. The results for organisations such as Tomorrow's People, which was mentioned earlier—as was Debbie Scott—show that they have a good record. When we look at the research on the subject, there is no dispute about that. We believe in a partnership approach. Let us not get into stale, state versus private arguments, but simply look at how we can help people. We should find out what works and use it.

We should talk about what we can do to help businesses, which are suffering at present. My party colleagues have often talked about the need for reform of the insolvency system, yet each time we have mentioned it the Secretary of State for Work and Pensions says, "There's no need—it's all been dealt with by the Government in an earlier Act." I shall explore briefly what we think we can do to help businesses keep people in work.

We want to introduce an automatic stay of enforcement of debt against a company by its financial creditors, while the management stay in place and attempt to negotiate restructuring. We want priority funding for distressed companies. In America, unlike the UK, firms in chapter 11 can raise finance even after they have petitioned for bankruptcy. Lenders will advance them money in exchange for "super priority" over other unsecured creditors; in fact, there is a whole market for such rescue funding in the US that does not exist in the UK.

No Member can want fundamentally decent businesses to go under if an extra financial lifeline could be thrown to see them through these hard times. I implore the Government to look again at those proposals. We will be happy to share our ideas; we may not have the last word on the matter but we really believe that there is something useful we can learn from the United States.

Businesses are suffering, so we propose cutting the main rate of corporation tax from 28p to 25p and reversing the Government's planned increase in the small company rate from 20p to 22p. I find it incredible that in the current economic conditions the Government propose to increase the rate of corporation tax for small companies, which my colleagues will definitely oppose. Cutting corporate tax rates would be an important boost to the competitiveness of the British economy. We would pay for them by scrapping some of the tax reliefs that businesses and accountants find it difficult to administer, so there would be a simplicity advantage, too.

Encouraging flexible working will be key in helping people to stay in work and to balance their caring commitments. We also want a great expansion of personalised budgets, to help people to get back into work. There have been big advances in that respect in the area of social care. We want to break down the departmental silos. We want to pool budgets, intervene early, and work with whole families, inter-generationally if necessary.

Let me go back to where I began. We will not deal with problems of the scale that we face unless we are honest about recognising them. The hon. Member for Llanelli said that the UK economy had been vastly superior to that of our European neighbours in recent years. I wonder whether she knows that the United Kingdom's employment growth in 2007 was one of the lowest in Europe. That was in 2007, before our present difficulties began. The UK's employment growth was level with that of Estonia, and we beat only Hungary and Portugal. That is a pretty shocking international comparison.

Nia Griffith: I wonder whether the hon. Gentleman realises that that was because other economies were catching up; they had been very slow to start with. Countries such as France, which were very slow to get their economy moving, were beginning to pick up. We had already had a large increase in our economy, so we did not look so good in comparison.

Andrew Selous: I hear what the hon. Lady says, but is she aware that the UK has a higher proportion of children living in workless households than any other EU country, including Bulgaria and Romania? Frankly, the international comparisons are not quite as rosy as some Labour Members would have us believe. The hon. Member for Cardiff, Central (Jenny Willott) said that there are 1.3 million young people aged 16 to 24 who are not in work or full-time education; that is 19 per cent. more than in 1997. As for the Department's claim that long-term unemployment has been virtually eradicated, I wonder whether Ministers are aware that more than one in 10 jobseeker's allowance claimants have spent six of the last seven years on benefits? Let us just have honesty. I do not want to have to score points on these issues; my contention is that we will not deal with the serious questions unless we are a bit more open and honest about the real situation that we face.

I have set out why we believe that the need for real welfare reform is urgent, that non-EU migration into a shrinking job market must be capped, that skills training must be enhanced, and that businesses must be given the practical support and confidence that they need to survive and prosper in future.

4.42 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): This has been a very good debate. Members on both sides of the House have made excellent contributions. The speeches have varied; some Members told heart-rending stories from their constituency surgeries, and others brought up more specific issues. My hon. Friend the Member for West Ham (Lyn Brown) discussed housing benefit, an issue that she has rightly pursued for some time.

At the beginning and the end of the debate, the Opposition spokesmen attempted to say that we had not secured any achievements on child poverty. Well, we have secured achievements on child poverty. When we say so and compare our record to the Opposition's, they say, "Oh, that was 11 years ago." As many Labour Members have said, it is not about saying but about doing. When the Opposition had their chance to do something, they froze child benefit year after year. We were at the bottom of the league when it came to child poverty in Europe. If the Conservative party wants to draw a line under that, and accept that we have moved on and that things are fine, we would accept that, but it

tries to rubbish our achievements. We have taken 600,000 children out of poverty, and have put resources into the budget to ensure that we continue with our target to eradicate child poverty within a generation.

Andrew Selous: As we are talking about child poverty, will the Minister commit the Government to meeting their 2010 target of halving child poverty? Will he do so now?

Jonathan Shaw: It is a challenging target, and we put in more resources at the last Budget. *[Interruption.]* Did the hon. Member for South-West Bedfordshire (Andrew Selous) support that Budget? No, he did not. He talks about the issue, but will not act or put up the money. Furthermore, we have introduced our programme pathways to work, which has been applauded across the board. The Opposition chose not to mention pathways to work, but my hon. Friend the Member for Kingswood (Roger Berry) referred to the 10 per cent. increase in the number of disabled people entering work. The hon. Member for Forest of Dean (Mr. Harper) chose neither to talk about that achievement nor to welcome it.

There are many other examples of the progress that we have made. Indeed, the Opposition referred to their proposed reforms, but they came out of the Freud report, which the Government commissioned. The hon. Members for South-West Bedfordshire and for Forest of Dean both sought to deny our achievements, but we recognise what we have done, while realising that it is important to find other ways to move the agenda forward, particularly during the economic downturn that we face.

I welcome the comments that my hon. Friend the Member for Kingswood made, and he, along with several colleagues, applauded our hon. Friend the Member for Stirling (Mrs. McGuire). She held my current position for three and a half years; she was supportive and did a great deal of valuable work, so it is an honour for me to follow in her footsteps. Much of the work that she undertook helped to reduce the number of unemployed disabled people and to produce that 10 per cent. increase.

My hon. Friend the Member for Kingswood, like a number of colleagues, referred to people with mental health issues or fluctuating conditions seeking employment, and the test of our reforms will be whether we can increase the number of people with mental health issues who enter employment. As part of that plan, we will undertake some pilot programmes and work in London alongside Mind to consider what works. It is important that we undertake those programmes to ensure that we work out the detail and get it right, because if we get it right and learn the lessons, we will avoid making mistakes down the line which cause distress and disappointment to those people whom we seek to help.

My hon. Friend mentioned the access to work resource, which we are increasing, and he said that he had seen it in action. I, too, have seen it in action. I was in Croydon a couple of weeks ago with a specialist private sector employment agency, 83 per cent. of whose staff are deaf. It provides employment opportunities for deaf people, and without pathways to work and the access to work scheme, it would not have been able to achieve what it has. While I was there, the agency found two people a job, and staff members said that, every day, they were finding people work. They were using their connections and relationships with a range of different employers to find opportunities for people to undertake work experience in the first instance, and many of those people then found employment. Those things did not happen under the Conservative Administration; it is reasonable for me to say that. We have improved the situation, but we need to learn lessons, and we will do so as we take forward our programme.

My hon. Friend and other Members talked about the difference in the quality of service that people receive from council to council, from local authority to local authority, and that is a frustration. How can we achieve greater uniformity across the piece? We will not do so by using levers in Whitehall. We are not going to push a lever to make everything the same across every council area. That is not going to happen—it is not our direction of travel.

I believe that there is consensus among the political parties in that we all want local decision making, so how can we better engender an application that fits the needs of local service users with the services being provided by councils and other public sector organisations? Two mechanisms will be involved. The first is the local area agreements which, I believe, have cross-party support. They will bring together the service providers within a local area and enable them to talk to user groups and identify how services are to be developed. They are still in their infancy but, as they mature—and as the different charities and parent organisations better understand the new infrastructure for local government and in the local areas—they will be able to take part and they will be listened to. Better still, local authorities and health authorities will be able to respond to any concerns that are expressed by parent groups or user groups.

In addition, we are seeing the advent of individual budgets. We have conducted 13 pilots around England, involving a variety of rural, urban and suburban authorities, to determine how people can use their budgets to make decisions for themselves on which services they get. The evaluation of the pilots has shown that young disabled people and people with mental health problems in particular have found individual budgets empowering, as they enable them to decide who provides their services, and when and where they are provided.

We need to do some more work on elderly care and for adults with learning disabilities. However, we can envisage the day—as we carry out the pilots, and learn more in order to get this right—when we will be able to bring together national and local benefits, and when individuals on their own can determine the services that they receive. Also, a situation might arise in which a group of disabled people, for example, come together jointly to commission services, pooling their individual budgets. With people working together to match up the local area agreements with individual budgets, it is possible to see how a better, more consistent level of services could be achieved across the piece. That is part of our reform process.

Mr. Harper: We are very much in agreement with the proposals for individual budgets. I think the Government said that about 1.7 million people receiving social care were potentially eligible for an individual budget, and that it was planned that all those people would have the option of getting such a budget over the next three years. Now that the evaluation has taken place and been reported to the Government, can the Minister give us

[Mr. Harper]

an idea of how quickly he thinks this process will move forward, especially for the categories of people he has just mentioned, who might particularly benefit from having individual budgets?

Jonathan Shaw: We want to get on to them as soon as possible, but it is important to get this right, particularly as we try to align some of the national benefits with what is happening at local level. That presents some interesting challenges, and there will be different views on these issues across the various groups that the hon. Gentleman and I both talk to. For example, when I have spoken to the Disability Charities Consortium, I have heard mixed views on how devolving a national benefit such as the disability living allowance down to local level will impact on individuals. Some people might be concerned about that because, in the main, DLA works well for people. This is all part of the debate that we need to have, but that is our direction of travel—

Mr. Harper: And the speed?

Jonathan Shaw: The hon. Gentleman might ask that, but when we are dealing with people's lives and their budgets, and with ensuring that they get the services they need, we have to have pilots. If he would be reluctant to have pilots, that is a matter for him—

Mr. Harper *rose*—

Jonathan Shaw: I am not going to give way just at the moment.

We have had the pilots, and we are evaluating them. We shall then have the discussion on how to take the programme forward. If the hon. Gentleman were to join that debate, rather than just saying "Get on with it!", I am sure he would be able to make a more sophisticated contribution. I have every confidence that he will do that.

Roger Berry: There are real issues about devolving allowances such as DLA, but I do not want to go there. I want to ask about portability. As a former local councillor, I am keen on some localism, but most disabled people I know are not clamouring for localism to continue in respect of care packages. However, if it does continue, when will there be portability from one local authority area to another? At present, people are imprisoned in their local authorities, are they not?

Jonathan Shaw: That is the clash: local services being accountable to the local council and also having levers of requirement from the centre. Those are the competing demands.

I mentioned the local area agreements, but we are also seeing the advent of multi-area agreements. We may see local authorities all signing up to portability in a multi-area agreement, as my hon. Friend hopes. However, we have to resolve the clash of competing demands. One authority may choose to put a great deal more resources into social care than another, and the local electorate may support that. However, through the independent living fund we have committed to ensuring greater consistency across the piece. That is part of the debate as we go forward.

I want to refer to a few of the comments made by other hon. Members. The hon. Member for Cardiff, Central (Jenny Willott) referred to contracts and concern about specialist providers having part of the market. That is absolutely right. Within the structure, we need a system that allows entrepreneurialism to come through and small specialist providers to meet the needs of specific groups. I referred to a group in Croydon that I visited a couple of weeks ago, and many other providers offer such services. Earlier I mentioned Mind, the association with which we will set up a pilot for people with fluctuating conditions.

My hon. Friend the Member for Birmingham, Selly Oak (Lynne Jones) mentioned fluctuating conditions and her conversation with the Secretary of State in acknowledging that the issue is difficult and we need to improve it vastly. I am certainly committed to ensuring that the issue gets the attention it deserves. I shall be closely watching the contracts in the roll-out and how they ensure that they do not cherry-pick and provide employment opportunities only for what my hon. Friend the Member for Kingswood referred to as the low-hanging fruit; the issue is also about those who are more difficult to place. That will be the test of our reforms.

My hon. Friend the Member for Burton (Mrs. Dean), who is in her place, is the chair of the all-party group on autism and also has an interest in lupus. She referred to my hon. Friend the Member for Stirling. She discussed the reduction in unemployment in her constituency between 1997 and 2007 and mentioned the partnership between the GMB and JCB in her constituency. We want such partnerships to go forward. That partnership and positive working were part of what made it possible for the company to land that £23 million order in Russia. We all welcome that. My hon. Friend also mentioned the all-party beer group, for which she has worked hard, and I shall pass on her remarks to my colleagues at the Treasury. Like many hon. Members, my hon. Friend referred to Jobcentre Plus and the staff who work there. I know that they will be grateful for hon. Members' comments.

The Jobcentre Plus environment is very different from what it was during downturns in the past, when jobcentres had screwed-down seats and were places of despair with screens. If a person who had lost their job walked into a place like that, it did not uplift them or give them reason to be optimistic. We invested in Jobcentre Plus; the Conservatives did not. When we had the opportunity, we did it; when the Conservatives had the opportunity, they did not. That is the difference between us. Nailed-down seats were adequate for unemployed people in the '80s and '90s; they are not adequate for people under a Labour Government.

My hon. Friend the Member for Burton also referred to the NHS and the impact of getting timely treatment, which is very important.

The speech by the hon. Member for Broxbourne (Mr. Walker), who is not in his place, was a tour de force. In previous debates we have discussed angling, which, as I am sure many hon. Members are aware, is one of his loves. He talked about the young woman whom he met when he spent the day at the Jobcentre Plus in his constituency, who was bursting with energy and wanting to work. He also referred to people who

did not take the opportunity to work, and spoke about not sending me letters and telling his constituents, if he felt they should be working, that they should go and get a job.

Within any system, there will be people who choose to abuse it. It is particularly galling for someone on a low income to see someone abusing the system, because they are working hard and can see that someone is not playing by the rules. However, as part of this conversation we must recognise that many disabled people—they may have a mental health condition; they may have autism, or be a wheelchair user—want to get a job and have tried repeatedly to get one. We need to be careful with our language. Of course people should play by the rules, but we do not want to tar everyone with the same brush. People who are feeling fed up because they cannot get a job do not want us as Members of Parliament to do that, particularly at this time. We praise and salute people's efforts in that regard.

The star of the evening, by universal acclaim, was my hon. Friend the Member for West Ham, who brought to the House a story about a young woman in her constituency. She highlighted the difficulties of getting housing, training and employment opportunities and talked about accelerating the interconnectivity that is required across the work of Government. We need to build more social housing. Earlier, I challenged the Conservatives to say which part of the programmes that we have announced since the downturn they would cut. One of those programmes brings forward additional social housing. I hope that they will support that additional housing, because it is needed in every constituency. In my own region, 200,000 people are on the waiting list. My hon. Friend the Under-Secretary has advised me that we are looking to the conclusions of the housing benefit review, which must include work incentives. She said that any proposals will be tested against the very good case that my hon. Friend the Member for West Ham brought to the House. I thank her for her contribution.

The hon. Member for Blaenau Gwent (Mr. Davies) talked about his support for the work ethic, and I think that the whole House would agree with him. He talked about the difficult times that his constituency has faced, and he made an important point about the relationship between someone who is not in work and their general practitioner. I can advise him that, as part of the employment support allowance programme, the Department has spoken to GPs. We have provided advice because it is easier for a GP to provide advice if he knows the structure of the new system, and GPs will receive that advice. The hon. Gentleman mentioned incapacity benefit, and people on that benefit will receive it at the current rate—it will stay the same.

My hon. Friend the Member for Llanelli (Nia Griffith) praised the minimum wage and the difference that it made in her constituency. She talked about the right to flexible working. If I recall correctly, the hon. Member for South-West Bedfordshire mentioned flexible working, but when the Opposition had the chance to vote for and support paid leave, they did not do it. The first instalment was four weeks' paid leave, and when they had the opportunity, the Opposition voted against it. When we introduced flexible working, Opposition Members chose to vote against it, but many of them have taken advantage of that policy. Again, when they had the chance to do something, they did not do it. We will say what we have done, and compare our records. That is completely legitimate.

I heard the second half of the speech of the hon. Member for Henley (John Howell). I thank him for going to a Jobcentre Plus and for acknowledging the good work done there. It is much appreciated.

My hon. Friend the Member for South Derbyshire (Mr. Todd) talked about flexibility in retirement, and referred to lollipop ladies and men—my late mother was a lollipop lady. He has made those points before, and it is the case that for some people in retirement, doing work makes a huge difference. As he said, it is good for the individual and for society as a whole. I will pass on the remarks that he made. Like so many things, the issue is about the balance between what the Government want to provide for the individual in society and how much expenditure we have. My hon. Friend referred to an autistic adult, and his story about Jobcentre Plus was not so positive. The mood of the debate generally reflected a positive view of Jobcentre Plus, but we obviously do not get it right every time, and we have to work harder.

The hon. Member for Buckingham (John Bercow) made an intervention on autism; last night, I was at the National Autistic Society, where I met people with autism who were in employment. The hon. Member for Ilford, North (Mr. Scott) talked about a young man in his constituency who is making a great contribution to the company where he works. He said that the young gentleman did not turn up to work one morning. That would have been out of his routine, and the employer understood that. In general, people with autism are always on time—they are never late. They start a task and they finish it, and they can operate at a higher level in many circumstances than any of us in this Chamber. As the hon. Gentleman said, it is a matter of ensuring that employers get that message. We have a programme called "Employ ability", and it promotes the employment of people with a disability. We need to consider real-life examples of that. He is also right to say that we all have a role to play. It is not just a matter of asking the Government what they can do—we can all play a role by talking to employers across our constituency.

My hon. Friend the Member for Birmingham, Selly Oak referred to the support and encouragement that she wants to see for lone parents. We are providing that, but it is reasonable, if we are providing a package of support through all our welfare reforms, and putting in that time and effort, to want people to engage with us. We are saying not that they have to get a job, but that they have to engage with us—get the necessary skills and training to go for a job, produce a CV and so on.

The debate has been good and we have run through a range of issues. We will have differences, and Labour Members will continue to point out where the Conservative party failed, where we will succeed and where we need to try harder. However, the general tone of the debate reflected the consensus that, in the downturn, we need to help people and work with them so that, when the recovery comes, we are as match fit as possible to take advantage of it.

Question put and agreed to.

Resolved,

That this House has considered the matter of work and welfare.

Constituency Correspondence (Confidentiality)

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Butler.]*

5.10 pm

Mr. Simon Burns (West Chelmsford) (Con): I am delighted to have been fortunate enough to secure this short debate on the crucial matter of the confidentiality of Members' constituency correspondence. We have not debated the issue for a few years and, for several reasons, which I shall outline in my remarks, the time has come to reiterate the rules and the legal implications for some of the correspondence with which we have to deal.

In many ways, Members of Parliament do a job that is similar to that of a GP or a lawyer: we not only deal with sensitive information that constituents supply to us in e-mails and correspondence when asking for our help and views, but pass it on to a variety of bodies, ranging from Departments to local authorities, local health trusts and so on, to try to find a solution to our constituents' problems.

I treat such correspondence with the utmost confidentiality, and I am sure that that reflects all hon. Members' attitudes. Some constituents, for a variety of reasons, seek to publicise the fact that either they are going to see a Member of Parliament or what they have told, or written to, a Member of Parliament. Sometimes they want to tell the local press—or even the national press if they feel that strongly—because they feel that it might assist them to solve the problem. That is up to them. I personally make it plain—as I am sure all other hon. Members do—that, if a constituent wants to publicise their visit to me or a problem that they have raised with me, they can, but that I shall not do so because one can get into considerable difficulties if one starts talking to the press or others about it.

However, by definition, when we take up a constituency case that involves a third party, the third party must be made aware of the problem. I believe that all constituents accept that; otherwise they could not get the Department or local authority to look into the issue and try to resolve it. Obviously, therefore, some people will see the correspondence, but we expect and demand a professional service from those third parties. For 21½ years, I have found that officials—civil servants, local authority workers or staff in other public bodies—work extremely professionally.

When I first became a Member of Parliament, however, my local authority in Chelmsford was not Conservative, but Liberal Democrat controlled and I resented the fact that, in housing cases that I took up, the bottom of every letter that the director of housing wrote to me contained a "cc" and the name of the Liberal Democrat chairman of housing. That clearly meant that the chairman saw my correspondence on behalf of constituents, and that puzzled me at the time because I did not understand why the Liberal Democrats, as well as the director of the relevant service, had to see it. I understood why the director of housing had to see it, but I did not see why they had to.

That problem was solved—at least it was in my case, to the best of my intentions—by a ruling by one of the Speakers over the past 21 years, who said that the practice must stop. It has certainly stopped in Chelmsford borough council and I have no problems with that. I do have a problem, however, with another incident that came to my attention involving a local authority. Let me make it clear from the outset that the official who did what I am about to describe did not act out of malice; they just thought that they were being helpful and doing the right thing.

I took up a case on behalf of a constituent that is primarily a local authority matter. When I had gone as far as I could in seeking information and trying to get the local authority to provide a service and the funding for it, I suggested that the person who had contacted me contact their councillor to see whether they, as an elected member of the authority, could also help.

The local councillor, who was not a Conservative councillor—he happened to be a Liberal Democrat—took up the matter, which dragged on for months. That was not his fault; it was the fault of the system. He did everything he could as a local councillor to try to get rid of the logjam and reach a resolution.

The constituent got back to me and said, "This has been dragging on. I was told that this was going to happen and that the money was there for it to happen. It hasn't happened. Can you do anything to expedite this?" I wrote to officials in the local authority again and said, "This has been going on for so long. Couldn't something now be done to do what it's been suggested will be done?"

I was surprised, to say the least, to be copied into an e-mail that the Liberal Democrat sent to the person who had raised the matter with me, which said:

> "I have today had sight of a letter drafted as a reply to Simon Burns setting out the situation as perceived by the local authority in some detail. This letter may be amended significantly before being sent."

However, I think it best for the moment not to replicate what the letter—an official response from the local authority—is likely to say. That puzzled me, because it had never in a month of Sundays occurred to me that, although two levels of politicians were dealing with the same case and trying to assist the same person, my correspondence or the local authority's response to it would be shown to the other politician or that he would be able—for what reason I do not know—to comment on whether I would be likely to receive the draft reply that he had seen.

I got on to my local authority, because I was extraordinarily concerned. It became clear that a great mistake had been made. What was done was not done for party political purposes, nor was it done maliciously. It was done by an official who, acting in good faith, thought that it was the best way of expediting the matter, because there were two politicians working on the case. Officials are party politically neutral and that official was probably not sensitive to the fact that it is not desperately good to link a Tory and a Liberal Democrat, and certainly not in my part of the world, unless they are obviously working together as one, which I can assure you, Mr. Deputy Speaker, I have great difficulty doing with Liberal Democrats, having seen how they operate. They operate slightly differently from Labour party members, who are more straightforward and honourable, even if we have considerable differences with them over policy.

To be fair, the local authority has made it plain that a mistake was made that should not have been made and that it will not happen again. However, it might be happening elsewhere. I found out only by accident, through the generosity of someone who copied me in on their e-mail—I bet they will bitterly regret it when they read this debate—but similar things may be happening elsewhere. It is important that the Government, the relevant Department or Mr. Speaker explains that that should not happen. Measures must be put in place with bodies that deal with our constituents' correspondence to explain that it should not be shown to anyone other than the immediate officers of the body or local authority responsible for looking into the issue, seeking to get a resolution and replying to hon. Members. If people are not reminded from time to time about the rules and protocols, they can be forgotten or things can slip by accident. I am certainly not alleging that the problem was deliberate, but it can happen accidentally. Such a solution would be sensible.

I am not a lawyer, but I understand that as individual MPs we are exempt, in effect, when members of the public issue freedom of information requests that concern our correspondence. I hope that is so; otherwise there could be the most horrendous fishing into our files, which would not necessarily be undertaken by the constituent whose case or involvement with a case we were dealing with.

Sometimes, sadly, we get involved in cases where there are two sides to the argument and one side comes to the Member of Parliament. We might not—if we are wise, we will not—take a view unless it is blindingly obvious, but we will offer to use our good services to draw the person's problem, concerns or opinions to the attention of the relevant body. If one is not careful, the other side could start to issue freedom of information requests to try to see what dealings we were having with someone with whom they might be in dispute. That would be invidious.

I do not want to go into great detail, for obvious reasons, but if I am correct to assume that our correspondence is exempt from FOI requests, there is a way around that. In effect, the sender of an FOI request could see the correspondence or half of the correspondence in which we were involved. To my mind, if one wants to have confidence in the system and for constituents to be confident in dealing with us, the information, correspondence and other problems that they might have raised with their Member of Parliament ought not to get into the public domain or the hands of other people in our constituencies who might be in dispute with them or who might merely be interested in seeing what the problem might be.

I hope that the Minister can give some clarity to a non-lawyer about the precise legal position on freedom of information. I want to know if I am correct in interpreting the law, in my amateurish way. Will the Minister accept my point about third parties trying to see any dealings that we have on behalf of other constituents? Is there any way in which that can be tightened up? Does the data protection legislation, in conjunction with the freedom of information legislation, offer enough protection for our constituents and us as we go about our work?

There is another less significant but very irritating point, on which I also want to seek the Minister's advice. Certain public bodies, when we take up constituents' cases with them, reply to right hon. and hon. Members and always put either "Restricted" or "Private and confidential" at the top. A classic example of such an organisation is the police. When we have dealings with the police on behalf of our constituents, they will almost always involve sensitive problems and sensitive information, but the information is equally sensitive when we are dealing with our local health trusts and our local social security or social services departments. So far as I remember, unless there is something in a letter that is genuinely "strictly confidential", my health trust and local social services department certainly do not send the letters with "private and confidential" stamped on them. They produce letters and it is perfectly acceptable for us to be able to pass them on to our constituents. Sometimes highly sensitive issues are involved, so a telephone call is made to let me know what they are, but the vast majority of responses to sensitive issues are written in such a way that they do not have to be private and confidential.

The police, however, seem to have a fetish about stamping everything "restricted". I keep asking Essex police to be a little more discerning before they frank the letter with this restriction. They keep assuring me that they will, but rarely does it happen. If I write to Essex police about the problem of Mr. Snodgrass of Acacia avenue—it might be that he has not seen a policeman walking down his street over the last six months and that he wants one—I might receive the response, "Thank you for your letter about Mr. Snodgrass. We will look into this matter and reply within 20 working days", but it seems odd to me why it has to be restricted. It is an automatic, knee-jerk, bureaucratic reaction simply because it has always been done before, and the police seem to have difficulty getting out of that culture.

I would be grateful to hear the Minister's views. Where information is not in the slightest way confidential or sensitive, is there any way of ensuring that a public body behaves more reasonably? There is, of course, an obvious answer. If something is highly sensitive, a telephone call could be made or two letters could be sent: one fine-tuned to be acceptable for sending to the constituent—it should be a factual and accurate response—and the other providing fuller details.

I do not want to detain the House further. I have made a number of points and I would be grateful if the Minister confirmed or corrected my amateur legal interpretation of the existing position on freedom of information. Will he advise me whether it is possible for the relevant sponsoring Government Department or the Speaker's Office—or Mr. Speaker himself—to give a ruling on the first issue I raised? Finally, will he encourage some public bodies not to stamp everything automatically with a restricted notice as a matter of course?

5.27 pm

The Deputy Leader of the House of Commons (Chris Bryant): I congratulate the hon. Member for West Chelmsford (Mr. Burns) on securing this debate, because how Members' correspondence is dealt with is becoming an increasingly important aspect of our work and of how we relate to our constituents. When Stafford Cripps was a Member of Parliament back in the 1930s and '40s, he did not have to worry much about his constituents' letters, because he hardly ever got any. He went to his constituency four times a year and the brass band

[Chris Bryant]

played when he arrived and when he left. Today, how public authorities deal with our constituents' letters, e-mails and telephone calls is an essential part of Members' work.

I am intrigued in that when I refer to my constituents in the generic form, I usually mention Mrs. Jones of Blaen Llechau terrace, whereas the hon. Member for West Chelmsford refers to Mr. Snodgrass of Acacia avenue. That just shows the difference between our two constituencies. Surely the starting point must be the constituent and the constituent's needs, so if Mrs. Jones of Blaen Llechau terrace comes to see me, I presume that it is because she wants to see her Member of Parliament rather than the councillor, Assembly Member or whoever else. She may have seen all the others and not secured the outcome that she desires. Either way, she will presume a degree of confidentiality.

As the hon. Gentleman said, many MPs make it clear in any interview with their constituents that the conversation is confidential and that any resulting correspondence will be treated in a fully confidential manner. Mrs. Jones might expressly not want the correspondence circulated to councillors or council officers, for example, because her complaint might be about them. For that matter, the councillor or officer might have a conflict of interest—it could be a relative, for instance—that would make it inappropriate to know about correspondence in the case raised with the MP.

I should state that I had my own such issue when I was first elected in 2001. The local authority, Rhondda Cynon Taf, was run by Plaid Cymru, and purely for party political advantage the council leader explicitly said that all my correspondence would be circulated to all councillors of the different political party from my own who had any potential interest in it. The chief executive was instructed by the council leader to behave in what I believe was an entirely partisan fashion. Consequently, I asked for a ruling from the Speaker. It was in fact you, Mr. Deputy Speaker, who delivered it, saying:

> "Mr. Speaker has asked me to say that constituents who approach their Member of Parliament are entitled to expect that the issues raised will be dealt with in a confidential manner. Where the Member considers it appropriate to refer the issue to a local government officer, it is Mr. Speaker's view that the correspondence should remain confidential between the constituent, the Member and the local government officer to whom the case has been referred, unless specific permission to make it available to other parties has been granted by the constituent."—[*Official Report*, 23 July 2002; Vol. 389, c. 885.]

That is an important ruling, and it is important that all local authorities—and all other public organisations with whom Members might have to raise issues on behalf of their constituents—try to abide by it.

The hon. Member for West Chelmsford is entirely right to say that a local authority, or any other body, would be wrong to assume that it is all right simply to circulate Members' confidential correspondence from a constituent to others within the organisation. If it wishes to do that, it should do so only if it has the specific permission of the constituent concerned. That is the case regardless of whether the issue concerned is party political or merely administrative, because this is about the confidentiality that is due to our constituents.

The hon. Gentleman raised data protection, and various elements of the law in this regard interact with the privileges of being a Member and the responsibilities and duties that attach. One of them relates to the Data Protection Act 1998. The Act does not prohibit disclosures of personal data to third parties, but it regulates the circumstances in which that may be done—I think there is help here for the hon. Gentleman. Schedule 2 lists the conditions relevant for the purposes of processing any personal data, including the consent of both constituent and Member and the necessity of the processing. In the case of "sensitive personal data"—such as racial or ethnic origin, religious beliefs or sexual life—one or more of the conditions set out in schedule 3 must be met in order for the processing to be lawful, such as consent or if the processing is necessary to protect the vital interests of the data subject.

The Data Protection (Processing of Sensitive Personal Data) (Elected Representatives) Order 2002—which I am sure the hon. Gentleman knows back to front—allows elected representatives to process sensitive personal data when dealing with requests from individuals without the need to seek explicit consent. This is important for most Members; although they might not realise that they are operating under this provision, they are doing so when they take a matter up on somebody else's behalf and they keep personal data. However, we cannot presume that all our constituents are intimately familiar with the provisions of the order—or even know of its existence. I, and many other Members, now do the following: when people come to our advice surgeries, we ask them to grant explicit permission for data to be kept and for us as Members to take up the case on their behalf. That also gives an additional legal protection for the Member, although, because of the 2002 order, it is not strictly necessary.

The order also provides a condition allowing third parties, including Government Departments, to disclose sensitive personal data to elected representatives, but only to those who are acting at the request of the individuals concerned, and again without the need to seek explicit consent. It does not require them to do so. As I understand the hon. Gentleman's situation, it is not that these councillors have been approached by the constituents concerned; rather, the letters were disclosed to an individual councillor directly by the council officer, and as the hon. Gentleman says, it was probably a mistake rather than something done with a sense of malice.

There is one other issue that has often been raised in the context of Members' constituency casework and the confidentiality that should attach to it, and which relates to the privilege issue: when Members speak in the House or in a Committee of the House, they have absolute privilege and what they say cannot be used in a court of law against them, as it were. Some have argued that that should also apply to all correspondence. A case was brought in 1958 that related to George Strauss—G.R. Strauss, as he is often known—a Labour Member of Parliament. He had written making certain allegations about a utilities company, and the question arose of whether his correspondence could be considered libellous. He argued that it could not, because it was merely something that he was writing to a Minister that he was subsequently going to say in Parliament. The House

decided at the time that, in fact, he did not have absolute privilege in relation to that correspondence, and that is the formal position.

However, when the issue was considered by Lord Nicholls' Committee in 1999, the view was firmly expressed that, although Members would not have the advantage of absolute privilege in their correspondence, they would none the less have two defences in law: first, that if their letter was very closely connected with the proceedings of this House, they would have a defence; secondly, that where there is no intention of malice, there would be a much more secure defence. I doubt whether any Member would want to say that, where there was an intention of malice on a Member's part in writing a letter or publishing a letter that somebody had sent to them, there should be a defence. That is why, historically, the House has stuck with the belief that there should be partial privilege when it comes to correspondence.

In fact, there have not been many major such issues since then, and the House does take out insurance for any Member who might inadvertently have a case brought against them for libel by virtue of having sent a letter on to a third party. Many Members may at some point have had, for instance, constituents writing to them saying that they believe that abuse is taking place in a particular house, family or organisation. Not wishing to ignore the issue and wanting to take it very seriously, Members will sometimes write to the organisation concerned or to the police to refer that issue on. If they did so in a malicious way, merely to attack a third party when they knew that there was not a real case, I do not think that they should have the protection of the law; however, where they are pursuing a decent, honourable and common-sense approach, clearly they should have protection.

The hon. Gentleman referred to the freedom of information issue, and he is right that there is such an issue. He will recall that the right hon. Member for Penrith and The Border (David Maclean) promoted a private Member's Bill—it did quite well in this House but not so well down the other end of the corridor—that sought completely to exempt Members' correspondence from freedom of information provisions, so that no public body could provide the correspondence of a Member as a result of a freedom of information request. I know that several Members, on both sides of the House, have raised this issue because they have had specific problems.

As that Bill did not become law, the Justice Secretary has worked closely with the Information Commissioner to produce guidance on dealing with requests for Members' correspondence relating to constituents. Perhaps the hon. Gentleman has not seen it, but it makes it very clear that there is not a total exemption for Members' correspondence.

However, clause 3 of that guidance says:

"In particular, the importance of consultation with the MP, as a third party to the request, should always be remembered."

In other words, if a freedom of information request has been made about some correspondence between a constituent, an hon. Member and an organisation, the Member of Parliament has to be asked first. The Member of Parliament will almost certainly, in nearly every case, provide clear reasons why the freedom of information request would be inappropriate. The guidance continues:

"If an MP has written to a public authority passing on information from or relating to a constituent, the presumption should be that the information is not disclosed. Information is likely to be exempt under one or more specific exemptions."

Mr. Burns: Is the Minister confident that public bodies are aware of that?

Chris Bryant: I never want to be too confident of anything, but the Information Commissioner has made sure that all public bodies have been informed, and I hope that this debate will result in further understanding of the position. The Ministry of Justice has recently written to Departments to ensure that they fully understand it too, because there has been an instance where a Department has, inadvertently, provided information.

The guidance continues:

"MPs and their constituents do not have the same confidential relationship as a doctor and patient or lawyer and client. However, MPs often assure constituents that their dealings with them are confidential and there is usually in any event a legitimate expectation by the constituent that information disclosed in their dealings with their MP will be treated as confidential. This means that letters sent on behalf of a constituent may be subject to a duty of confidence."

I think that the situation is pretty clear, and we have arrived, through the guidance, at almost the same outcome, which is in the interests of our constituents, as we would have done through the private Member's Bill tabled by the right hon. Member for Penrith and The Border.

The final issue to address is the one relating to Essex police. I wholly concur with the view of the hon. Member for West Chelmsford that the kind of letters that he has been receiving do not require such a high level confidentiality or are of such a restricted nature. I suspect that somebody in Essex police is being overly zealous about planting the word "restricted" on letters and not sufficiently zealous in stopping themselves doing so.

The Cabinet Office's manual of protective security—another document that I am sure the hon. Gentleman knows inside out—which is readily available to everybody, not least to the police, gives situations where the "restricted" marking should be used on a document. Among those are instances when the release of the document would

"affect diplomatic relations adversely; make it more difficult to maintain the operational effectiveness or security of UK or Allied Forces; or undermine the proper management of the public sector and its operations."

Somebody being overly zealous and overly jobs-worthy might want to say that literally anything that one puts in a letter to a Member of Parliament might undermine the proper management of the public sector and its operations, but a common-sense approach should be adopted, not only by Essex police but by any other organisation writing to the hon. Gentleman.

Richard Younger-Ross (Teignbridge) (LD): This is an informative and useful debate. Incidentally, Devon and Cornwall police do not put "restricted" on any of their letters, so I do not encounter this problem. I want to clarify something on freedom of information. If a local authority receives a freedom of information request, it is clear that they will let the person concerned know that they have received correspondence from a Member of Parliament on the issue. They will then write to the Member of Parliament asking for consent to issue the information. Given what the Deputy Leader of the

[Richard Younger-Ross]

House has said, would it be right for a local authority to say, in response to a general inquiry from a member of the public, that they have received correspondence from a Member of Parliament regarding an issue? For example, in the case of a letter from a constituent about the noise caused by an adjoining neighbour, should that adjoining neighbour instantly be told, on going to the local authority, that the MP had written to it about that? That issue has occurred, although not that specifically, in my constituency and, I believe, in the constituencies of colleagues.

Chris Bryant: I cannot be absolutely certain about the specific point of two neighbours who might want to play Members of Parliament off against each other. I know that at least once in their parliamentary careers all right hon. and hon. Members will experience someone coming along to their surgery who provides a cast-iron argument why they should adopt position A, only to have the next-door neighbour come through the door 10 minutes later and argue exactly the opposite. After that happens once, hon. Members are more careful about determining their position. Certainly, I have tended never to get involved in planning issues as Members of Parliament do not have a specific locus to deal with them.

Mr. Brian Jenkins (Tamworth) (Lab): A difficulty arises when people complain about antisocial neighbours of whom they are terrified. They pluck up courage to go and see their Member of Parliament, but what happens if the antisocial neighbour then writes to the local authority and is told that a complaint has been made against him? In that case, it would be a question not of the MP getting into a dispute between neighbours, but of the complainant fearing for their well-being.

Chris Bryant: As ever, my hon. Friend makes an important point. That is why the guidance has been produced. It is a matter of basic justice that when a constituent who is already suffering from antisocial behaviour, possibly including violence, complains to their Member of Parliament, the last thing that should happen is for that to become known so that they get more abuse from the person about whom they have complained. I am confident that the guidance that the Secretary of State for Justice has provided means that, in the event of a freedom of information request in such a case, the local authority would ring or write to the Member of Parliament. In that situation, the Member would immediately say that the authority should not reveal the existence of correspondence—and certainly should not reveal the correspondence itself—because that would aggravate the situation. That would be the end of the matter.

Mr. Jenkins: Can my hon. Friend confirm that the local authority would not reply to the inquiry until it had spoken to the Member of Parliament, after which point it would say that it was not able to reply?

Chris Bryant: The guidance makes it clear that local authorities and other bodies—such as Departments or the police—must contact the Member of Parliament before deciding what to do. That gives the Member the opportunity to put the case in context. A clerk who receives the initial request may think that it is legitimate for anyone to know the contents of an MP's correspondence. In some circumstances—say the question of whether a new road should be built—it would be legitimate for members of the public to know the local MP's view. That is very different from the example given by my hon. Friend, and that is why the guidance makes it possible for the individual MP to say no to the release of correspondence.

Richard Younger-Ross: The Deputy Leader of the House makes a good point on that issue. However, what would happen if a general inquiry were made and local authorities and other bodies said that they had had a letter from the MP on a subject? That can imply that he or she has taken a view on it and, by and large, we do not take a view but usually pass on the concerns of the constituent and ask the authority to consider them.

Chris Bryant: That is another area in which all hon. Members start to develop a way of dealing with constituents' issues. When a constituent gets in touch with us about something—let us say that he makes argument X—we might exercise our representative function by writing to the local authority and saying, "My constituent says X." However, it would be a wholly different thing if we were to write, "My constituent says X, and I agree with him." There are now sufficient protections in place to allow a Member of Parliament to assure constituents about their ability to raise matters that are genuinely confidential—

Mr. Jim Cunningham (Coventry, South) (Lab): Will the Minister give way?

Chris Bryant: I was about to build up to my third peroration, but I will give way to my hon. Friend.

Mr. Cunningham: In fact, I am going to agree with my hon. Friend. Some years ago, I took up the case of a doctor who had been suspended. The Speaker made some rulings in the House but—without my permission—the health authority tried to use correspondence in a court of law to get the person involved dismissed. The fact that the judge would not allow that shows that a lot of what the Minister has said is right.

Chris Bryant: I am sure that, in the course of a Parliament, nearly every Member of the House will encounter an issue relating to the confidentiality of correspondence. As I said at the beginning of my remarks, the one thing that has changed dramatically in the past 100 years in this House is the nature of the relationship between constituent and Member of Parliament. It is not just that a constituent might occasionally travel here to put a point to us, but that our daily life is full of e-mails, phone calls and letters, often telling harrowing stories of a deeply personal and confidential nature. That is the bread and butter of political life today. For many of us, the main things that we campaign on, both in the House and outside it, spring from what our constituents bring to us—either when we knock on their doors, or when they knock on ours.

As the Speaker made clear in his 2002 ruling, and as the Government have been trying to achieve through the Justice Secretary's work with the Information Commissioner, we must make sure that confidentiality is based on the needs of our constituents and not on anything else.

Question put and agreed to.

Adjourned accordingly at eight minutes to Six o'clock.

House of Commons

Thursday 6 November 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL (*BY ORDER*)

LEEDS CITY COUNCIL BILL (*BY ORDER*)

NOTTINGHAM CITY COUNCIL BILL (*BY ORDER*)

READING BOROUGH COUNCIL BILL (*BY ORDER*)

Orders for Second Reading read.

To be read a Second time on Thursday 13 November.

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Air Quality (Greater London)

1. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What recent steps his Department has taken to improve air quality in Greater London. [233450]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): With permission, Mr. Speaker, may I take this opportunity to welcome to the DEFRA ministerial team my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy) and my hon. Friend the Member for Ogmore (Huw Irranca-Davies), and Lord Hunt of Kings Heath in the other place?

Responsibility for meeting air quality limits in Greater London rests with the Government, but the Mayor is responsible for taking steps to meet DEFRA air quality objectives in London. Among the steps we have taken are cleaner vehicle standards for cars, lorries and buses and tighter standards for industrial emissions.

Mr. Evennett: I thank the Secretary of State for his reply. I welcome the improvements that there have been in air quality in Greater London. However, does he share the concerns of my constituents that increased flights from Heathrow and City airports could harm the environment and air quality?

Hilary Benn: I am grateful to the hon. Gentleman for drawing attention to the significant improvements that there have been in air quality in London. The incidence of nitrogen dioxide has reduced from an annual average of 74 micrograms per cubic metre in 1987 to 39 micrograms per cubic metre in 2007. That shows the progress that we have made.

The Government have completed a consultation on Heathrow. We are considering the responses, but we have been very clear throughout about the environmental conditions that would have to be met if permission for development were to be given.

Fiona Mactaggart (Slough) (Lab): That is exactly the point that I wanted to raise. In December 2006, the Department for Transport White Paper said explicitly that we would put in place

"tough local environmental conditions for our most environmentally sensitive airport, London Heathrow."

Can the Secretary of State assure me that that commitment will be sustained, whatever happens in the future development of Heathrow?

Hilary Benn: Indeed it will have to be sustained, because of the requirements of the air quality directive. As the House will be aware, in some parts of the country, including London, we are not meeting the limits relating to PM10—particulates—and nitrogen dioxide. That is why we are likely to have to apply for further time in order to meet them, as the latest directive that has been agreed provides. I should point out that we are not the only member state that is facing this difficulty.

Richard Ottaway (Croydon, South) (Con): I am sure that the Secretary of State is aware that last year Conservative-controlled Croydon was awarded beacon status for its management of air quality controls, with pioneering developments in technology and the introduction of idling vehicle enforcement patrols and air quality text messages to people with respiratory problems. However, I am sure he will realise that that service does not come for nothing. It is labour-intensive, and unless local authorities are given the funding to provide it, it will be difficult to maintain the standards that he and the country expect.

Hilary Benn: I greatly welcome the steps that Croydon and several other local authorities have taken, particularly for those who suffer from asthma. The text messaging service is in addition to the information that we provide—it is available on a website and there is a telephone number that people can call. It is very important to give people the advice and information that they need. The Government fund local authorities generally for the range of responsibilities that they have. I hope that other local authorities will follow the lead that has been given, because that service really benefits the public.

Mr. Peter Ainsworth (East Surrey) (Con): I, too, welcome the two new Ministers to the DEFRA brief, which they will no doubt find challenging, just as all their predecessors did.

A memorandum from the Department for Transport obtained under the Freedom of Information Act 2000 concerning the expansion of Heathrow states:

"New modelling suggests that EU limits for Nitrogen Oxide in 2010 will be exceeded around Heathrow, necessitating capacity constraint".

It goes on to say that the Department for Transport has "worked with DEFRA to ensure negotiations over"

the

"directive take account of Heathrow's position".

How does the Secretary of State square that with what he told the House in May—that his attempt to delay the implementation of new EU rules on nitrogen oxide had nothing to do with decisions about airport capacity?

Hilary Benn: The simple reason why we are likely to have to apply for derogation under the new directive that gives member states the ability to apply for additional time is the existing problem that we have with PM10 and nitrogen dioxide, which, by definition, is nothing to do with any decision that may yet be taken about the expansion of Heathrow. That is a problem we have now. Therefore, the answer that I gave in May was completely accurate.

Mr. Ainsworth: But surely expanding Heathrow can only make the situation worse. The Environment Agency has warned that pollution from a third runway at Heathrow could "increase morbidity and mortality"—in other words, it will mean that more people will die earlier. Does the Secretary of State agree with its analysis, and why does he not spend more time protecting the environment and less time conniving with the Department for Transport on a massive increase in pollution around London? Is it because he lacks the will, or because he lacks the influence?

Hilary Benn: I think that that is unworthy of the hon. Gentleman. First, the fact that different Departments talk to each other should not come as a great surprise to him. Secondly, as I said, the Government have made it clear that any decision about the expansion of Heathrow will have to be subject to the environmental conditions set down. That is a requirement of the directive. When we apply, the Commission has to decide whether to give us more time, and those extensions can only be until 2011 for PM10 and until 2015 for nitrogen dioxide. At that point, the UK, along with other member states, will have to meet the requirements.

Environmental Awareness

2. **John Robertson** (Glasgow, North-West) (Lab): What measures his Department has considered to increase public understanding of the environmental effects of everyday activity; and if he will make a statement. [233451]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The Department is supporting a number of campaigns including Act on CO_2, Love Food Hate Waste, and Recycle Now, which all aim to raise awareness and understanding of the link between what we do and the challenges of tackling climate change and using resources sustainably.

John Robertson: I thank my right hon. Friend for his answer. He will be aware that just under 50 per cent. of emissions come from individuals. Campaigns are all very well, but does he agree that it is time that energy bills—and the point of source—give details on how to look after the environment, perhaps in the form of an environmental warning like the health warnings on cigarettes?

Hilary Benn: One thing that the Government have done, working with energy supply companies and following the Prime Minister's announcement in September about action on insulation and help with bills, is provide more information with bills on ways in which people can save energy. Providing practical advice, places where people can go and assistance is exactly what is required to deal with the environmental challenges that we face.

Dr. John Pugh (Southport) (LD): Yesterday, Westminster was swarming with beekeepers worried about the decline in bee numbers and the huge environmental effects on everyday life. What will the Secretary of State do to address those concerns and to encourage scientific research in that area?

Hilary Benn: The beekeepers have raised a serious issue, and I have met Tim Lovett, the head of the British Beekeepers Association. We are spending about £200,000 a year on research already, and we have put an additional £120,000 into looking into the problem this year, along with the Welsh Assembly Government. The National Audit Office is looking at our expenditure on bee health research. We are working with the veterinary medicines directorate to get medicines on the market more quickly in order to help beekeepers. We give a lot of advice through the beekeeping inspectorate, and once we have the benefit of the NAO advice, I intend to respond on what else we might be able to do.

Mrs. Ann Cryer (Keighley) (Lab): Does my right hon. Friend have any advice in the pipeline that would help to encourage parents to walk or to use public transport when taking their children to school? That would have an enormous impact on areas around schools.

Hilary Benn: That is a really worthwhile thing to do, and a number of local authorities are promoting schemes to encourage parents and children to walk to school. For example, the introduction of 20 mph zones in many residential areas changes the balance between the car and the pedestrian, and we ought to take as many steps as possible—*[Interruption.]* That was not an intended pun. We ought to take as many steps as possible to encourage more people to walk and to use their cars less.

Ann Coffey (Stockport) (Lab): Will my right hon. Friend join me in congratulating the National Market Traders Federation on consistently showing commitment to contributing to a greener environment? Its latest initiative has been a campaign called "How green is your market?", which involves looking for the greenest market in the UK and the greenest trader. Does he agree that markets uphold the values that DEFRA holds dear? They provide cheap local food, they cut down on food miles and they cut down on excess packaging.

Hilary Benn: I agree with everything that my hon. Friend said. I think that the Minister of State, my right hon. Friend the Member for Liverpool, Wavertree

(Jane Kennedy), is coming to talk to the all-party group that my hon. Friend chairs. One has only to consider the figures that show the increase in markets to realise that there is growing public interest, and I hope that the trend will continue.

Broadband (Rural Areas)

3. **Michael Fabricant** (Lichfield) (Con): When he last met the Secretary of State for Business, Enterprise and Regulatory Reform to discuss the provision of broadband in rural areas. [233452]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I have not yet had the opportunity to meet the new Secretary of State for Business, Enterprise and Regulatory Reform to discuss rural broadband, though I will do so in addition to meeting other ministerial colleagues, because it is clearly important for rural areas. Department officials will also continue to work closely with DBERR on the matter.

Michael Fabricant: As he represents a Welsh constituency, the Minister will know that the Welsh Assembly is trying to identify what it calls "not-spots"—areas that are not served by broadband. He also knows that farmers need to be able to get on to the DEFRA website, especially for epidemiological information about bluetongue, foot and mouth and other diseases. The availability of broadband is very important for the rural community. What steps will be taken in England to replicate what is happening in Wales to ensure that the large tranches of the United Kingdom that are not served by broadband will be?

Huw Irranca-Davies: The hon. Gentleman makes a good point. He and I served together in debates on the Communications Bill some time ago, when those issues were raised with the original roll-out of broadband. I assure him that not-spots, which are a problem in Wales and England, are being tackled, not least by the Department for Communities and Local Government and DEFRA research. What I tend to call the "ciao" review, but is the Caio review, is examining how we extend the service. The service is market driven, but the review considers ways to remedy market failures, and thus what the Government can do. We are also considering what regional development agencies and local authorities can do. The problem needs to be addressed and I am committed to doing that.

Mr. Mark Todd (South Derbyshire) (Lab): One of the difficulties is that many consumers in rural areas rely on BT's word about whether they have appropriate broadband access. Regrettably, that advice is often neither objective nor accurate. Is there some basis on which we can get an independent picture of access? In large parts of Derbyshire, access rates are either extraordinarily slow or even non-existent.

Huw Irranca-Davies: That is another important point, which shows the concern in all parties to ensure that we have such access. One reassuring point is that, in the parts of the UK where take-up of broadband has been large, rural areas have outstripped other areas in the past 10 months: take-up there has increased to 59 per cent., compared with 57 per cent. as a whole. However, my hon. Friend makes a valid point—we need to keep an eye on the research and the statistics for the way in which broadband is rolling out, and ensure that we fill the gaps as time goes by. It is vital to his constituents and others.

Hywel Williams (Caernarfon) (PC): Will the Under-Secretary abandon the term "not-spots"? It is bandied about by, for example, BT as if it were an explanation or even an excuse for not providing a proper service to places such as Rhiwlas in my constituency, where people want to use broadband for domestic purposes but also for rural businesses and professions.

Huw Irranca-Davies: I am happy to abandon phrases such as "not-spots" if the hon. Gentleman wants me to, but the way we tackle the possibly 1 per cent. of areas that cannot get access under current technology is crucial. We look to technological innovations, such as the Avanti satellite, as well as other methods, to ensure that we deliver. As has been said, that is important for farmers and for rural businesses. We need to ensure some parity of access throughout the UK—Wales and England.

Mr. David Kidney (Stafford) (Lab): On a more upbeat note, will my hon. Friend congratulate BT and Advantage West Midlands on achieving the complete broadband enablement of the west midlands region? What is the Government's role in helping people to take up commercial opportunities to use broadband? Is there a role for DEFRA in marketing?

Huw Irranca-Davies: I join in my hon. Friend's congratulations on the work that has gone on, which is a success story. It reflects the fact that the UK, with 99 per cent. uptake of broadband, is leading in this field. Certainly DEFRA has a role in working with others to encourage, promote and advocate take-up. There is also a place for localisation in RDAs, local authorities and others. There has to be a partnership approach. That is not to abrogate responsibility; we simply recognise that some local issues are best tackled with genuine local input.

Mark Williams (Ceredigion) (LD): The Minister will be aware of the European Commission's policy on such matters, in pushing for a universal service obligation by 2010. When he meets the Business Secretary, will he make the case strongly that we should be pushing for that universal service obligation? A particularly strong case needs to be put to BT and other companies in rolling the service out to rural areas where, as he has highlighted, the frustrations are real.

Huw Irranca-Davies: As I said to the hon. Member for Lichfield (Michael Fabricant), such issues were addressed way back when we considered the Communications Act 2003. It has always been the Government's approach that universal provision should be led by where the market can drive it forward—we have seen success in that—and that the Government should then follow through with other partners to ensure that we fill in those areas where the market cannot provide. We will get there—the evidence shows that we are doing so—but as has been pointed out in other questions this morning,

we need to fill those gaps. Our approach in the UK proves that we are doing that above and beyond what some European partners are doing.

Tim Farron (Westmorland and Lonsdale) (LD): I welcome the Minister to his new post. What the hon. Members for Lichfield (Michael Fabricant) and for Stafford (Mr. Kidney) said demonstrated, perhaps inadvertently, the reason why so many people in rural communities feel that they are seen as second class in the eyes of the Government. Never has that been more graphically demonstrated than in the way they have borne the brunt of the closure of 2,500 rural post offices this year. Will the Minister acknowledge that rural sub-postmasters are facing a 15 per cent. cut this year in their core tier payment—their basic salary—and, perhaps even this week, the loss of the Post Office card account? Will he acknowledge that these developments will further undermine the rural—

Mr. Speaker: Order. The hon. Gentleman has the privilege of coming in on a question of his choice, but he must keep his question within the parameters of broadband.

Tim Farron *rose—*

Mr. Speaker: Order. That was far too long. The Minister will attempt to answer the question with the information that he has been given.

Huw Irranca-Davies: I in no way share the analysis that rural areas are second class, and I say that as somebody with a family background of living in rural areas. The hon. Gentleman perhaps misses the point that the Government have invested £1.7 billion in sustaining the post office network. Also, there are good examples of projects that have worked in rural communities, such as Switch on Shropshire, Project Access, Cybermoor and Community Broadband Network. There have been good innovations in ensuring that we get into rural communities and other difficult areas, and we intend to continue driving that forward.

Supermarkets (Pricing)

4. **Mark Hunter** (Cheadle) (LD): What recent discussions he has had with farmers' representatives on the pricing of their goods in supermarkets. [233455]

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): We do not discuss prices offered by supermarkets, as we believe that they are for the market to determine within the constraints of competition law. I have, however, had a number of discussions with farmers and farmers' representatives about a range of issues concerning them, including the importance of long-term sustainable relationships between suppliers and retailers.

Mark Hunter: Does the Minister not agree that the practices currently employed by some supermarkets, including Tesco, which are deliberately delaying payments to suppliers, are having a detrimental effect on UK food prices and availability? Furthermore, does she agree that there should be a full investigation so that we can ensure that we continue to have a sustainable UK-based supply chain?

Jane Kennedy: My right hon. Friend the Secretary of State met representatives of the supermarkets about three weeks ago, when he invited them to follow the Government's lead and ensure that they review and improve payments to small suppliers in order to address directly the point that the hon. Gentleman made. I can also confirm from discussions I have been having that exemplary practices are being developed in some areas, such as the dairy food supply chain, whereby organisations such as Tesco and Asda have regular and good communications with their suppliers, and farmers can come to local forums. That is the way forward to sustain the food supply chain right across the piece.

David Taylor (North-West Leicestershire) (Lab/Co-op): Over recent years, there has been an unaccountable reduction in the share of the retail price at the check-out that goes to farmers and growers. Notwithstanding farmers' markets, which have been quite successful, would it not be a good idea for the farmers' organisations to work much more closely with the super-retailers, in the French style? For example, Carrefour, Géante and Leclerc have permanent major retail promotions of local produce from a particular area at their larger superstores. Would that not be a way of giving farmers and growers a higher proportion of the money that we pay for their high quality food at the check-out?

Jane Kennedy: My hon. Friend makes an excellent suggestion. Indeed, I should like to offer to accompany him on a fact-finding visit, if he would find that useful, to see what procedures are in place in France and to find out whether we could learn any lessons from them.

Mr. Roger Williams (Brecon and Radnorshire) (LD): One of the main conclusions of the report produced by the Competition Commission on the grocery trade was that, in order to protect consumers and producers, an ombudsman needed to be established for the trade to protect against uncompetitive practices. What progress have the Government made in establishing such an office?

Jane Kennedy: I acknowledge the concerns about the concentration of the buying power of supermarkets. I am awaiting the outcome of the discussions between the Competition Commission and the grocery retailers before seeing whether any further action needs to be taken.

Mr. Andy Reed (Loughborough) (Lab/Co-op): Although my right hon. Friend is right not to want to intervene in regard to every single price in a supermarket, is there not a case for farmers joining together in co-operatives—as my hon. Friend the Member for North-West Leicestershire (David Taylor) suggested—to give them a much greater ability to deal with the supermarkets? Also, is there not a case for a bit more joined-up government thinking in relation to healthy, local produce being made available in superstores, in the way in which my hon. Friend suggested, as a way of tackling issues such as obesity? Most supermarkets push high value-added foods, which are high in salt, fats and sugars. There is an opportunity here to make enormous progress, and the suggestion for appointing an ombudsman could be a way forward.

Jane Kennedy: My hon. Friend has made a number of valuable points. I will be looking carefully at the recommendations that the Competition Commission has made, and I shall also want to look in detail at the suggestions that he has made this morning.

Mr. James Paice (South-East Cambridgeshire) (Con): I personally welcome the Minister across the Dispatch Box, although I have already met her in her new role in Committee. On Monday, she and I were shown numerous examples of misleading and deceitful labelling, particularly of meat in our supermarkets. One example was Cumberland sausage that had been made with imported meat. On four occasions, however, the Government have blocked Bills to require country of origin labelling. On Tuesday, the Irish Minister said that he wanted an

"unequivocal position requiring country of origin to be indicated on food".

Will the Minister now join him and the Opposition in demanding compulsory, honest country of origin labelling on all our food, to stop the deceit and to give consumers the real power to choose what they buy?

Jane Kennedy: I am very interested in the point that the hon. Gentleman is making. On his statement about our blocking certain Bills, I understand that we have been constrained on the position that we have been able to take independently, particularly given the detail that was being requested in those particular Bills. However, I hope that the House will be reassured to know that we are working very hard in Europe on a new directive that will give countries much more freedom to introduce the kind of labelling that the hon. Gentleman is talking about, including specifying on packaging not only the country of birth of the animal involved but where it has been reared and possibly even slaughtered. That will give consumers much more information about welfare standards, in particular, as I acknowledge that that is a real bone of contention for British farmers.

Water Metering Charges

5. **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): If he will request that Ofwat take into account the findings of the review of metering and charging when examining water companies' proposals for customer charges for the period from 2010 to 2015. [233454]

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): Final determinations for water price limits for 2010-2015 will be made by Ofwat in November 2009. I acknowledge that my hon. Friend has raised her concerns on behalf of customers in the South West Water area, and in the Plymouth, Sutton constituency in particular, many times. There is a very tight and difficult time scale involved in Ofwat being able to take the Walker review into account, but I am keeping in mind the need for Ofwat to be able to take some of its recommendations into account.

Linda Gilroy: I thank the Minister for her response and hope that among her early briefings some will have outlined the fact that our region has by far the highest water bills in the country. We also have more than our fair share of people on low incomes, so this is a matter of very considerable concern to Members with constituencies in Devon and Cornwall and across the political parties. Will she agree to meet a group of Members across the parties at an early and appropriate moment to discuss this important issue?

Jane Kennedy: I would be more than happy to meet my hon. Friend and her constituents if she were to bring that opportunity forward. South West Water, the company that supplies water in my hon. Friend's area, has adopted the findings of a pilot and recent review in that area. The fact that we understood the difficulties that water consumers faced in the south-west was precisely the reason why we chose that area for the pilot scheme. Much more work clearly needs to be done, but the Walker review will be significant in informing us how to take forward our policies on metering and charging, so we await Anna Walker's findings with interest.

Sir Nicholas Winterton (Macclesfield) (Con): Given that inflation is taken into account when setting price limits, is it right that United Utilities, which provides water in the north-west and to my constituency of Macclesfield, should be seeking to impose rises 2.7 per cent. above inflation for the 2010-2015 period? Is that fair to consumers?

Jane Kennedy: The hon. Gentleman knows that the water companies have submitted outline business plans to the Department. They are being studied in detail not just by Ofwat but by the Consumer Council for Water, which I met a couple of weeks ago. I know that those organisations are very concerned indeed about price rises, particularly in the current economic environment, so they will scrutinise such proposals very carefully. I hope that the hon. Gentleman will take some reassurance from that.

Alison Seabeck (Plymouth, Devonport) (Lab): My right hon. Friend will be very aware that the Ofwat chief executive has taken the view that, because of the impact on customers, Sutton and East Surrey Water should not increase its prices. That is very reassuring. Year after year, however, the south-west has experienced very high rises, yet the area has extremely low wages and high levels of deprivation—unlike, I suspect, in Sutton and east Surrey, although I stand to be corrected. The areas are different. What discussions has my right hon. Friend had with the chief executive to encourage Ofwat, as it looks into the price rises, to take into consideration demography and the impact of increases on people with low wage levels?

Jane Kennedy: I hope to meet the chief executive of Ofwat very soon. Ofwat has a role to play in determining companies' price regimes. Those companies have to take into account the responsibilities we place on them to improve supply and the security of supply and, in many cases, to improve the environmental impact of water services. There is thus a wide range of responsibilities, which Ofwat has to balance with costs to customers. I hear what my hon. Friend says about the impact of high price rises on consumers, which is at the forefront of the Government's concerns in the current economic circumstances when families' incomes are being squeezed from every quarter.

Richard Younger-Ross (Teignbridge) (LD): I endorse the comments of the hon. Members for Plymouth, Sutton (Linda Gilroy) and for Plymouth, Devonport

(Alison Seabeck) about what is a key issue in the south-west. I urge the Minister to review the whole structure of paying for major works such as the Clean Sweep programme, which has left 3 per cent. of the population—those living in the south-west—paying for cleaning up 30 per cent. of the nation's beaches. Will the Minister correct the Conservative party's error under privatisation and allow the cost of those major works to be borne across the country, not just by people living in the south-west?

Jane Kennedy: The hon. Gentleman raises an issue of which I am well aware. As I have said before, the burdens borne by water customers in the south-west relate, to some degree, to South West Water's responsibilities for exactly the improvements to which he refers. I shall not commit myself this morning to rewriting completely the arrangements for managing water supplies, but the forthcoming period of scrutiny of all water companies' prices and business plans will be extremely important. That is why I should be more than happy to meet my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) and her constituents to discuss the issue fully with them.

Recycling

6. **Mr. Jim Cunningham** (Coventry, South) (Lab): What recent steps the Government has taken to increase the proportion of waste that is recycled. [233456]

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): We have recently taken a number of steps to increase the proportion of waste recycled, including an increase in the landfill tax escalator to £8 per tonne and the provision of funds for a range of support for businesses.

Mr. Cunningham: I thank my right hon. Friend for her answer, but will she say, in general terms, what action she is taking to help businesses to improve their recycling rates, apart from the proposed landfill measure?

Jane Kennedy: We are simplifying the regulatory system, as a result of which businesses will be increasingly able to recycle materials that would previously have been sent to landfill. We estimate that that will encourage the recovery and reuse of 17 million tonnes of materials, potentially adding approximately £700 million to the economy.

I know that my hon. Friend asked about business waste, but I can tell him that recycling and composting of household waste has nearly quadrupled since 1996. We are making extremely good progress.

Mr. Michael Jack (Fylde) (Con): The Minister will be aware that successful recycling depends on good markets for recyclable materials. She will also be aware that there has been a catastrophic fall in the prices of plastic bottles, paper and cans. What steps will the Government take to avoid the accumulation of mountains of those important materials in the coming weeks and months, and to ensure that they are properly stored and looked after until the markets recover?

Jane Kennedy: That is indeed a growing problem, and we shall want to take stock of the situation. We have established a waste strategy that sets out the direction of travel for the Government and the local authorities with which responsibility for general waste policy lies, but I acknowledge that the right hon. Gentleman raises an important issue.

Flooding (Pitt Report)

7. **Lembit Öpik** (Montgomeryshire) (LD): What steps his Department is taking to implement the recommendations of the Pitt report on flooding. [233457]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): We have already taken a number of steps in response to Sir Michael Pitt's findings, which I reported to the House on 25 June. We will publish a detailed response shortly, together with a prioritised action plan.

Lembit Öpik: My constituents continue to fear the implications of the Pitt report for the Severn plain in the context of deliberate flooding and the management of standing water. Villages such as Llandrinio, Crew Green, Meifod and Ardleen, along with many others, want to work in partnership on alternatives such as upstream flood mitigation and contained flood pools. Will the Secretary of State ask the authorities to ensure that residents and officials adopt a partnership approach, so that we can find solutions that work for everyone?

Hilary Benn: I can tell the hon. Gentleman—who I know has taken a close interest in this matter on behalf of his constituents—that the Environment Agency will develop the Severn catchment flood management plan in consultation with local communities, partner organisations and landowners. I know that there was some concern about the original wording of P6, but it has now been revised to make it clear that it is about taking action with others to store water or manage run-off in locations that provide overall flood risk reduction or environmental benefits, locally or elsewhere in the catchment area. I hope that that provides some reassurance.

Miss Anne McIntosh (Vale of York) (Con): I do not think it does provide reassurance. What concerns people is that embankments and other flood defences that have existed for a number of years will be allowed to crumble as a result of the programmes—currently up for consultation—relating to catchment flood management plans. Will the Secretary of State assure us that rural areas will not be allowed to be lost to vast tracts of water, resulting in the loss of productive farm land at a time of increasing concern about food security and the Government's failure to spend as much in rural areas as they are spending in urban areas?

Hilary Benn: The hon. Lady will know that 95 per cent. of defences are in fair condition or better, which is very important. The Government are putting in considerable additional funding—an extra £200 million over the next few years—to enable the Environment Agency to look at the priorities and provide more protection for more communities in all parts of the country.

Topical Questions

T1. [233470] **Philip Davies** (Shipley) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The Department's responsibility is to enable us all to live within our environmental means. I wish to inform the House that I have appointed Dame Suzi Leather as chair of the new council of food policy advisers. I am greatly looking forward to working with her to tackle the important food security challenges we face, and we will announce other members of the council shortly.

Philip Davies: The Environment Agency now has its own geomatics division, acting commercially by undertaking work it would otherwise have outsourced and competing against commercial players in the market. Is the Secretary of State happy that a Government agency is competing against companies in the private sector, or is this not another example of a Government agency sticking the boot into small and medium-sized businesses when they are suffering from a recession?

Hilary Benn: I do not share that characterisation of the EA's work. As the previous question highlighted, it does a very good and important job in providing service to the public, including in improving flood defence.

T8. [233477] **Mrs. Linda Riordan** (Halifax) (Lab/Co-op): Genetically modified foods were supposed to be a major leap forward, but instead there are concerns that they pose a serious threat to biodiversity and our health. Furthermore, we were told they would help feed the world's poor, but the United Nations tells us that we are already producing more than enough for all. What assessments are being made from recent trials of GM crops' effects on the environment, and what are the consequences of these crops for the third world?

Hilary Benn: The Government have to be able to answer two questions in relation to GM crops: first, is the product safe to eat? The evidence is clearly that it is. The second is, what is the impact on biodiversity? In order to get the information my hon. Friend refers to, we have to have carefully conducted trials, and it is a matter for regret when trials that are approved are trashed within about a month and a bit—a recent example was a trial to demonstrate potatoes' resistance to nematode—because how can we answer such questions if we do not have the information? However, it is for those developing GM crops to demonstrate whether they bring the benefits that some have claimed. The Government then need to answer the two questions and, ultimately, it will be for consumers to decide whether they want to buy, supermarkets whether they want to stock and farmers whether they want to grow.

T2. [233471] **Mr. Mark Harper** (Forest of Dean) (Con): One of Sir Michael Pitt's recommendations was that the Government should establish a Cabinet committee dedicated to tackling the risk of flooding, bringing flooding in line with other major risks such as pandemic flu and terrorism. I took a careful look at the list of the Prime Minister's Cabinet committees published this week and was surprised to see that such a dedicated Cabinet committee on flooding was not on the list. Will the Secretary of State update the House on when that recommendation from Sir Michael will be put into force?

Hilary Benn: As I said in answer to an earlier question, we will respond in full to Sir Michael Pitt's recommendations in the not too distant future, and we will address that question along with others. The hon. Gentleman can rest assured that I continue to talk very regularly with all my ministerial colleagues who have a shared responsibility for dealing with this serious problem.

Mr. Eric Illsley (Barnsley, Central) (Lab): Following on from the response to the question of my hon. Friend the Member for Coventry, South (Mr. Cunningham), will my right hon. Friend look again at recycling? It is clear that the different recycling schemes that we have throughout this country are not working properly, because different local authorities are recycling different products. The problem is that the quality of the materials that are then presented to industry for recycling is simply not good enough—and in some cases is non-existent. My local authority, for example, has a kerbside collection of cardboard and paper, which it then composts and wastes, but in another part of the country that same cardboard and paper is worth £60 per tonne to the corrugated cardboard packaging manufacturers. Therefore, can we have some joined-up thinking on the different schemes that we have for recycling?

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): I shall look at the example that my hon. Friend gives with some interest, but figures out today from the Office for National Statistics demonstrate that householders in England are now re-using, recycling or composting almost 35 per cent. of their household waste, which is tremendous progress. I acknowledge that there are difficulties in some areas and that because the system is local authority-led there are differences in the way in which recycling is carried out locally. That is right and proper and as it should be, but it is obviously of interest to local authorities such as my hon. Friend's that they get the maximum and best value they can from the waste they collect, particularly when householders have gone to the trouble of separating the waste to be recycled.

T4. [233473] **Mark Hunter** (Cheadle) (LD): Will the Secretary of State make a commitment today that the marine Bill we be introduced in the next Session of Parliament?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I can reassure the hon. Gentleman that we are fully committed to this, and preparation of the marine Bill, on which there has been extensive and lengthy consultation, is well in hand. As he knows, it is well supported, as was shown by the lobbying that took place this week. We remain committed to introducing it at the earliest possible opportunity, and when we do so we hope that there will be genuine cross-party support for all aspects of it.

T5. [233474] **Tony Baldry** (Banbury) (Con): What are Ministers doing to protect the interests of English farmers in the current discussions on the future of the EU pesticides directive?

Hilary Benn: I have been making very strong representations to Commissioner Vassiliou and to my fellow Agriculture and Environment Ministers, because the problem with the proposal is that we do not know what impact it will have. In particular, will we be able to continue to use triazoles, which safeguard against septoria, a disease that affects wheat? The pesticides safety directorate has performed a full impact assessment, which appears not to have been done elsewhere, which is why we have that information and knowledge. There is growing realisation that there is a bit of a problem with this proposal, which has not been fully thought through. The House can rest assured that I will continue to argue the case with the evidence that we have.

Mr. John Grogan (Selby) (Lab): Given the high regard in which the Secretary of State is held throughout the House, will he assure us that, at the appropriate moment, he will give his Department's assessment to Cabinet of whether the third runway at Heathrow will breach quality and pollution standards, so that Cabinet does not have to rely on the assessments of Departments with less environmental expertise?

Hilary Benn: As I have already said, it is DEFRA's responsibility, and mine, to ensure that the air quality requirements—our obligations under the directive—are met. The Government made it very clear when the original consultation proposals were published that any decision to proceed would have to be subject to ensuring that the limits were met.

T6. [233475] **Mr. Philip Dunne** (Ludlow) (Con): The Secretary of State, in answer to my hon. Friend the Member for Banbury (Tony Baldry), referred to the impact on wheat of the EU pesticides directive, which the EU environment committee approved yesterday. He said—I was encouraged to hear him do so—that he will take steps to try to spread knowledge of the potential damage more widely in Europe. Will he please also encourage his Labour colleagues in the European Parliament to vote against the directive at the plenary session next month?

Hilary Benn: The hon. Gentleman rightly refers to the vote in the European Parliament committee that has been scrutinising this legislation. I have been concerned, publicly, that the proposals that the European Parliament was trying to make in amending the directive would take us even further in the wrong direction. That is the problem, and I can assure the hon. Gentleman that we will continue to lobby all those who are part of the decision-making process—the European Parliament and the Council of Ministers—to try to get the best possible outcome. However, as he will be only too well aware, we require other member states to support us in that process.

T7. [233476] **Andrew Rosindell** (Romford) (Con): The Minister of State, the right hon. Member for Liverpool, Wavertree (Jane Kennedy), recently told the DEFRA Select Committee that the Ministry of Defence is an exemplar when it comes to its policy on public food procurement. If so, why is not a single rasher of bacon served under the MOD food contract produced in Britain?

Jane Kennedy: What the hon. Gentleman describes is not what I understood the position to be. I will check the information, and, if what he says is true, I will examine the situation. I have acknowledged that the Government have more to do to give a lead; as a consumer and a significant purchaser, we must ensure that Departments and the public sector use their powers to discriminate in favour of food that is raised to the same high standards of welfare and hygiene used by British farmers.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Sentencing

1. **Mr. Peter Bone** (Wellingborough) (Con): How many appeals against unduly lenient sentences there have been in the last 12 months; and how many have been successful. [233478]

The Solicitor-General (Vera Baird): In 2007, the most recent year for which full statistics are available, the Attorney-General and I brought 106 offenders to the Court of Appeal for a review of their sentences. Permission to refer the sentence was given in 96 cases, the sentence was found to be unduly lenient in 86 cases and was increased in 75 cases.

Mr. Bone: A constituent of mine, 17-year-old Simon Englefield, was viciously attacked and, as a result, spent several nights in hospital and had three plates put in his jaw. The attacker was given a 36-month supervision order and was ordered to pay £100 compensation, to be taken from his benefits at £5 a week. The family wanted to appeal against that unduly lenient sentence, but they could not do so because he was sentenced in a youth court. Will the Solicitor-General consider extending the rules to the youth courts?

The Solicitor-General: The hon. Gentleman makes a very good point, and we should reflect on it. That sentence sounds not to have been appropriate for what transpired, although it is, of course, difficult to comment on individual cases without knowing the ins and outs of what was before the judge at the time and why he exercised the discretion that he did. I shall carefully reflect on what the hon. Gentleman said.

Mr. David Kidney (Stafford) (Lab): At last night's Livia awards, we heard moving stories about the responses of police officers, members of the public and victims in cases of driving offences that had caused death. Given that we have recently created some new offences relating to drivers who cause death, will the Attorney-General's office be particularly alert over the coming months to cases where it thinks that low sentences have been imposed on drivers who have caused death?

The Solicitor-General: I regret not having been able to attend the awards last night, but I understand that, as ever on such occasions, some touching accounts were given. We refer quite a few cases of causing death by dangerous driving; indeed, I recall having done one

within the past week. We can send such cases to have the sentence reviewed; we cannot do so for cases of causing death by careless driving, so a distinction has to be made. Although this depends on cases being drawn to our attention, I assure my hon. Friend that when that happens we have proper regard to the guidelines and we refer whenever it is appropriate to do so.

Human Trafficking

2. **Ms Celia Barlow** (Hove) (Lab): What assessment she has made of the effect of Operation Pentameter 2 on numbers of prosecutions for human trafficking offences brought by the Crown Prosecution Service. [233480]

The Solicitor-General: The prosecutions produced by Operation Pentameter are still at different stages in the criminal justice system. An overall assessment is being undertaken by the UK Human Trafficking Centre and the Association of Chief Police Officers, and that will address the impact on the number of prosecutions that have come from Operation Pentameter 2.

My hon. Friend may have seen that earlier this week, on 3 November, six traffickers were successfully prosecuted for their treatment of a young Slovakian woman who was raped and made to work in brothels all over the east midlands. Of the six convicted, one was given a 14-year sentence, three received 11-year sentences, one got a three-year sentence and the other a two-and-a-half year sentence. The judge referred to their offences as "despicable", and we agree.

Ms Barlow: I congratulate my hon. and learned Friend on those successful prosecutions. We must consider the victims of trafficking, and Citylight is an organisation that has been set up in Hove and Portslade, in my constituency, to offer welfare support to female victims. It has been set up in conjunction with Sussex police as part of Operation Pentameter 2. Will she tell me what plans she has to support such organisations in their fight against sex trafficking?

The Solicitor-General: I am pleased to hear about Citylight and its close work with Sussex police and the prosecuting authorities on Pentameter 2. We engage with such organisations in two ways: first, by providing welfare support and accommodation for victims. We decided recently that the reflection period to which victims are entitled, which is required to be only 30 days, will be 45 days. The POPPY project is the main source of that welfare support, but it has now contracted out some of that work to other third sector organisations. Secondly, a stakeholder group of third sector and voluntary groups has direct input into the inter-ministerial group on human trafficking, which means that organisations such as Citylight can have a say on policy development and our trafficking strategy.

Mr. Anthony Steen (Totnes) (Con): Five hundred and twenty-eight criminals were arrested under Pentameter 2. Why were there so few prosecutions?

The Solicitor-General: I am not sure why the hon. Gentleman thinks that there have been so few prosecutions. Many prosecutions are ongoing, so it is too soon to reckon the final figure for Pentameter 2, but up to September 2008 we had prosecuted 125 people for sexual exploitation trafficking and five for non-sexual exploitation trafficking-related offences. Of course, we prosecute people for inciting prostitution for gain, money laundering, rape, kidnapping and false imprisonment, as well as for specific trafficking offences. As he knows—he takes a great interest in this matter—those prosecutions and convictions do not show on the trafficking statistics.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Is my hon. and learned Friend aware that only this week the Fawcett Society hosted a meeting in this House at which it was alleged that 40,000 enslaved and trafficked women are currently residing in the United Kingdom? I was astonished by that figure. Does she have a way of checking its accuracy? Will she talk to the Fawcett Society about the evidence given at that meeting?

The Solicitor-General: I cannot comment on that specific point. Figures have been bandied about by various campaigns—by "bandied", I do not mean that they are calculated irresponsibly, but that some uncertain ways of counting are used. I was at that meeting and I talk to the Fawcett Society all the time.

Mr. Jonathan Djanogly (Huntingdon) (Con): The scale of the problem of human trafficking is alarming: in the past year alone, some 4,000 women have been the miserable victims of trafficking in the UK. Do we not need to go further than one-off police investigations and operations by adopting an integrated approach, including ratifying the European convention on human trafficking and introducing a proper unified border police force?

The Solicitor-General: The hon. Gentleman knows perfectly well that these are not one-off policing events but opportunities to galvanise what we have learned. Pentameter 2 is significantly better than Pentameter 1, but the process is ongoing. We are improving not only our intelligence on trafficking, but our mechanisms for, among other things, the early identification and treatment of victims. Through Pentameter and other such programmes, we are making those improvements. Again, as he knows, we will ratify the convention in December and implement it three months later.

Domestic Violence

3. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent discussions she and the Attorney General have had with the Secretary of State for Justice on the sentencing guidelines for domestic violence cases. [233481]

The Solicitor-General: In December 2006, the Sentencing Guidelines Council issued definitive guidelines for sentencing offences of domestic violence. It set out the principles that by law every court must have regard to when sentencing such an offence and, perhaps most importantly, it set out the principle that domestic violence must be treated as seriously as other forms of violence.

David Taylor: Under the existing legal and judicial framework, the police and courts often have difficulty dealing swiftly and effectively with domestic offences. Many victims despair of finding remedies or relief from

the day-to-day experiences that they continually endure. I urge my hon. and learned Friend to instigate a major review and reform of society's approach to domestic abuse, which includes psychological, financial and sexual maltreatment, as well as physical violence.

The Solicitor-General: I really do wonder sometimes where the hon. Gentleman has been for the past couple of years—

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): On your Benches!

The Solicitor-General: He must have been nodding off occasionally. Certainly, outside the House he has not had his eye on the ball in the way that some Opposition Members and most of my colleagues on the Back Benches have. We have done the most enormous amount of work on domestic violence. We have set up a system of independent domestic violence advisers, who support and befriend complainants as soon as they make a complaint and who help them right through the process. We have a system of specialist domestic violence courts, and specialist programmes to deal with perpetrators. Between 2005-06 and 2007-08, the number of convictions for domestic violence increased from just over 29,000 to almost 44,000. We are making sterling efforts and they are starting to make an impact. It must be becoming clear, even to the densest of family bullies, that they have no excuse for domestic violence and that the courts will deal with it extremely seriously.

David Howarth (Cambridge) (LD): Is there not a problem with domestic violence programmes organised by the probation service? It is under such financial pressure that it is finding it very difficult to deliver them in a timely fashion. The programmes are immensely important for reforming offenders and for victims, many of whom would not come forward if they thought that their partner would be imprisoned immediately. What effect will the proposed cut of £1 billion in the Ministry of Justice budget have on those programmes?

The Solicitor-General: I do not recognise the picture that the hon. Gentleman has tried to generate. As I have said already, the number of complaints to the police about domestic violence has gone up exponentially, largely because the police and the courts have made it very clear that they will adopt a helpful approach to complaints and deal with them strongly. It seems that people are not hesitating about making complaints to the police, even though they cannot predict what the sentence will be and their partner may end up in custody as a consequence.

The specific programmes in respect of the perpetrators of domestic violence have been in place only since 2006. The Liberal Democrats may occupy a fantasy world, but we cannot click our fingers and generate courses for perpetrators just like that. Our target was to set up 1,200 courses in 2007, and we succeeded in setting up 1,800. For 2008, the target was 1,800 and we put in place 2,000. The target for 2009 is 2,000, and we will put in place 2,500. The queues to get on the courses are growing smaller—

Mr. Speaker: Order. I am keen to allow one more question.

Prostitution

4. **Fiona Mactaggart** (Slough) (Lab): What recent discussions she has had with the Secretary of State for the Home Department on the review of demand for prostitution; and if she will make a statement. [233482]

The Solicitor-General: I have discussed with the Home Secretary a number of measures to address the problems of prostitution arising from the demand review. They were mainly announced by the Home Secretary in September, and included improvements to the legislation on kerb crawling, new powers to close brothels, greater restrictions on lap dancing clubs and a new offence of paying for sex with someone who is controlled for another's gain. The full results of the review will be announced this month.

Fiona Mactaggart: I thank the Solicitor-General for that reply. The last of those offences announced by the Home Secretary—the offence of having sex with someone who is controlled for gain—mirrors an offence in Finland. Is the Solicitor-General aware that there have been no prosecutions since the Finnish offence was introduced?

The Solicitor-General: No, I did not know that. However, I do not think that that is an inherent defect of the offence, and I am not sure that the two offences are identical. We prosecute those who control prostitutes for gain, so prosecuting people who pay for sex with a person who has been prostituted for gain goes with the grain of what we do already. We all know that a very high percentage of prostitutes are controlled for another's gain, so one might think that there is a 90 per cent. chance that any man who buys sex will fall foul of this law. We will have to design its finer points later, but we have every hope that it will make a significant difference and be a significant deterrent.

Business of the House

11.34 pm

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be as follows:

MONDAY 10 NOVEMBER—Opposition day [20th allotted day]. There will be a debate on a Liberal Democrat motion on the economy and the future of the Post Office card account.

TUESDAY 11 NOVEMBER—If necessary, consideration of Lords Amendments followed by a general debate on adding capacity to Heathrow.

WEDNESDAY 12 NOVEMBER—The House will be asked to approve motions relating to regional committees, European scrutiny, modernisation of the House of Commons and the Speaker's Conference. The House will also be asked to approve a motion relating to the House of Commons Members' Fund.

THURSDAY 13 NOVEMBER—Topical debate: subject to be announced, followed by, if necessary, consideration of Lords amendments, followed by a general debate on international aid—transparency.

The provisional business for the week commencing 17 November will include:

MONDAY 17 NOVEMBER—Motion to approve a Ways and Means resolution on the Education and Skills Bill followed by consideration of Lords amendments to the Education and Skills Bill.

TUESDAY 18 NOVEMBER—Consideration of Lords amendments to the Energy Bill, followed by, if necessary, consideration of Lords amendments.

WEDNESDAY 19 NOVEMBER—Consideration of Lords amendments.

THURSDAY 20 NOVEMBER—General debate on fisheries.

I should also like to inform the House that the business in Westminster Hall for 20 November will be:

THURSDAY 20 NOVEMBER—A debate on organ donation.

Mrs. May: I thank the Leader of the House for giving us the forthcoming business. Today the Home Secretary is making a written statement, understood to be about the cost of the identity card scheme. She is also making a speech today announcing that the Government have backtracked on plans to issue identity cards to workers at all UK airports; it has been heavily trailed in the press. Why has the Home Secretary not come to the House to make an oral statement on the status of the ID card scheme?

Will the Leader of the House give us a date for the pre-Budget report, or at least a date when she will give us a date for that report? Given the current economic climate, and the state of public finances, it will be a very important statement. Given that we have not had a debate on the economy in Government time, will she take up the suggestion made by my right hon. Friend the Member for North-West Hampshire (Sir George Young) that we should have one or two days' debate on the pre-Budget report?

On Monday the House of Lords had a debate on the economy. During that debate, my noble Friend Lord Forsyth called for an inquiry on the leaking of information about the banks' bail-out package. The noble Lord Lea of Crondall suggested a wider public inquiry, including the banks. The City Minister, Lord Myners, said—I quote from Lords *Hansard*, column 16—"My Lords, I agree". But yesterday, the Prime Minister said, in *Hansard*, column 247, that the City Minister "said no such thing". Will the Leader of the House ensure that the Prime Minister's statement in the official record is corrected, and when will we have that public inquiry?

Shortly, the Bank of England is expected to cut interest rates, but today it is reported that Northern Rock, the nationalised bank owned by the taxpayer, will instead raise some of its mortgage rates. Businesses and home owners are already struggling, as banks are not passing on interest rate cuts, so may we have a statement from the Chancellor on why a state-run bank is blatantly defying the Government?

Yesterday Labour MEPs voted to abolish the UK's opt-out on the European working time directive. At a time when businesses across the country are struggling to keep going and families will probably be looking for more work, not less, that just goes to show how out of touch Labour MEPs are. It is time that the Prime Minister got a grip on his party. May we have a statement setting out the official Government position on the working time directive?

In the House of Lords this week, Lord Darzi said that patients have a right to three cycle treatments of IVF. However, guidance from the National Institute for Health and Clinical Excellence only recommends that patients have three full cycles of treatment; it is not mandatory. May we have a statement from the Health Secretary to clarify official Government policy on IVF treatment?

Finally, there has been widespread condemnation of the Under-Secretary of State for Defence, the hon. Member for Grantham and Stamford (Mr. Davies), for his remarks blaming a commander in the Special Air Service for his choice of vehicle prior to the deaths of three troops in Afghanistan. The fact is that there was no choice. The Minister, when in the House on Monday, refused to apologise to that commander, so will the right hon. and learned Lady assure the House that she will press the Minister to give an unreserved apology to Major Morley and to UK commanders in Afghanistan?

Ms Harman: The right hon. Lady raised the question of ID cards and argued that there should be an oral statement, but she is aware, as she said, that there has been a written ministerial statement, which simply updates the House about our progress. As we have previously announced to the House, ID cards with biometrics are being introduced for foreign nationals and piloted at airports, so that people who are airside have biometric ID cards. The written ministerial statement simply announced the progress that we are making with the pilot scheme as we roll it out.

On the date for the pre-Budget report, we have chosen a number of opportunities for the House to debate the important issue of the economy. We have had debates about energy and employment and a statement about small business, in addition to numerous statements from the Chancellor of the Exchequer. As for the date

[Ms Harman]

of the pre-Budget report, we will announce it, as I said last week, in the normal way. I suspect that Donald Rumsfeld would have called it a "known unknown" as far as this week is concerned, and I am not announcing the date this week.

The right hon. Lady asked for a public inquiry into the global financial crisis, but may I take this opportunity to commend the work of the Select Committee on the Treasury? I should have thought that she would take that opportunity too. The Treasury Committee has asked the public to suggest questions for its evidence-gathering sessions, and the Committee is bringing before it not only the Governor of the Bank of England and the Chancellor of the Exchequer, but, no doubt, those various people who used to be described as the masters of the universe. I pay tribute to the Committee's work and look forward to receiving its report.

On Northern Rock, the right hon. Lady rightly said that there will be an interest rate announcement from the Bank of England shortly, and, subsequent to that, other banks and building societies will make it clear how they intend to respond to it. She will know that Northern Rock is managed at arm's length, as we would rightfully expect it to be, but the business Minister will make it clear to chief executives of building societies and banks in a meeting this afternoon that the Government have put in a considerable amount of public money directly, with £37 billion of capitalisation for banks, and made available through guarantees a further £250 billion, and that we expect from them some response to ensure that the interest rate cut is passed on not only to mortgage holders but to small businesses. I am sure that that is the view of the whole House, and the Minister will make it very clear.

The right hon. Lady asked about the European working time directive, and we have always been clear that it is right to give employees legal protections at work. The Opposition have not been in favour of such protections, whether the minimum wage or the working time directive, but we are in favour of people not being forced to work long hours that they do not want to work, or that can impede health and safety. That is why, when we came into government after many years of Tory rule, we introduced a legal prohibition on requiring people to work very long hours. Following a European Court judgment there have been some changes, to which other Governments across the piece are now agreeing, about how on-call time is calculated for the purposes of the working time directive. [*Interruption.*] I must say that I would be interested to hear whether the Opposition, who are chuntering away about working time, are now in favour of guaranteeing minimum standards and the protection of working hours. Our position is clear, and we are getting on with things.

I will look into the right hon. Lady's point about Lord Darzi's comments in the House of Lords about IVF provision and write to her.

As for our troops in Afghanistan, I should say that Remembrance day offers us all the opportunity to remember not only those who lost their lives in the great wars, but those who have lost their lives in Iraq and Afghanistan. We will continue to increase investment in equipment for our troops and to work with the other countries around the world who share the important work that our troops are carrying out in Iraq and Afghanistan.

Sir Peter Soulsby (Leicester, South) (Lab): I welcome my right hon. and learned Friend's announcement that next week the Government intend to bring forward proposals to amend temporarily Standing Orders to enable the establishment of regional Select Committees and regional Grand Committees. Does she agree that in responding to the Modernisation Committee, the Government are recognising the overwhelming weight of evidence that that Committee received, which showed the accountability gap at the regional level? In bringing forward the recommendations for regional Select Committees and regional Grand Committees, are the Government not also reflecting the difference of opinion on the Modernisation Committee on how best to meet that accountability gap?

Ms Harman: I look forward to my hon. Friend's contribution to our debate next week. In case hon. Members have not yet seen them, I should say that the motions for that debate which set out the framework for the regional Committees have already been tabled and are available for Members to scrutinise. We have also tabled a business motion that will show how they will be debated. My hon. Friend makes an important point, not least that we need proper scrutiny of the important work of the regional development agencies, particularly at a time when we are concerned to support the economy in every region of the country.

Simon Hughes (North Southwark and Bermondsey) (LD): I have regularly raised with the Leader of the House the question of time for the consideration of Back-Bench and Opposition new clauses and amendments. She has announced three items of business for the next couple of weeks that will certainly have amendments from both sides of the House.

In the Employment Bill debate two days ago there was, yet again, no opportunity to complete consideration of the Opposition and Back-Bench new clauses and amendments—indeed, more than half of them were not debated. Yesterday was our 20th sitting day since the House came back following the summer. On nine of those days, there have been no votes at all, and the House has risen early on nearly a third of them. Will the Leader of the House honour her undertaking to me and others that she will review the business of the House to make sure that there is time for Back-Bench and Opposition new clauses and amendments when the Government come forward with their business? Otherwise Parliament will not be doing its job properly, and she will not be honouring the obligation to make sure that we hold the Executive to account.

In the light of the very welcome election result in the United States yesterday, may we have the opportunity of a debate on relations between this country and the USA, before the end of this term and before the Prime Minister meets the President-elect, as we hope he will before long? There have been tense issues between our two countries and many hope that the new regime will mean a much better relationship; I am sure that that view is widely felt in the House and the country. It would be helpful and much appreciated if the House

had the opportunity to discuss matters that could lead to a huge improvement in relations between us and the United States.

Yesterday, the OECD produced a report on energy prices across the European Union. It said that gas and electricity bills had increased more than twice as quickly in our country as they had in France and Germany and that in Europe only Norway had suffered higher energy price inflation. It said that prices here had increased by nearly 30 per cent. in the past year. The Leader of the House knows that energy prices are the major driver of fuel poverty. May we have a statement from the new Secretary of State for Energy and Climate Change about what he will do to ensure that our energy price rises are kept roughly in line with those of the rest of the continent and why our energy price increases are hugely higher than those in our competitor countries across the channel?

We are about to have a debate on the Congo, which is very welcome. However, figures revealed in an answer to my hon. Friend the Member for Chesterfield (Paul Holmes) show that since 2003 more than 5,000 Congolese asylum applications and more than 7,000 Zimbabwean asylum applications have been turned down. May we have a debate on whether we are honouring our international obligations to ensure that people who cannot go home because of the dreadful political climate in their country are given the right to stay here for the period for which they need safety? I understood that we had all signed up to that arrangement.

There are increasingly common rumours around the House that the Government have made a decision that the Post Office card account will be given to PayPoint, not to the Post Office. I am choosing my words very carefully: can the Leader of the House give us an absolute, unqualified assurance that the statement on this matter will be made first in this House by the Secretary of State, and that no announcement will be made outside the House tomorrow or over the weekend, so that if the decision has been made, we can have the chance to deal with it here? If it has not been made by Monday, my party has chosen the subject for an Opposition Supply day debate on that day. If the rumours are right, we look forward to testing a very dangerous Government decision.

Ms Harman: The hon. Gentleman asked about the consideration of amendments on Report. Our concern is that there should be as few as possible Government amendments on Report unless they relate to issues that have been raised by hon. Members and it is the wish of the House to deal with them. As Members representing our constituents, we must strike a balance between the amount of time that we spend working in this Chamber and in Committees scrutinising legislation and the time that we spend working in our constituencies. All the reviews of parliamentary work have shown that our constituents increasingly expect us both to do our work of scrutinising legislation in this House and to be in our constituencies mingling with them and listening to their concerns. Report stage is important, but important opportunities for pre-legislative scrutiny are being introduced, as well as the opportunity for post-legislative scrutiny, which we are introducing for the first time.

The hon. Gentleman sent his congratulations to President-elect Obama. I take this opportunity to celebrate, as so many other people in this country are celebrating, that historic election. It was historic not only because of the victory of President-elect Obama but because it marked a rejection of conservatism. In that respect, it is a very big change that Labour Members warmly welcome.

The hon. Gentleman raised the issue of gas and electricity prices. We are very concerned about the global impact that increases in commodity prices, particularly for oil, have had on domestic and business energy bills. He mentioned other countries, but it is only fair for him to recognise also that although there have been increases, which we do not want, historically, we have had lower energy prices than other countries in Europe. It is important that we press forward with increasing the supply of energy through renewables and other means to ensure that we have energy independence, and that we continue to provide the winter fuel payments, which have been increased, and to run the insulation programme, which will not only help people with their fuel costs but help to deal with the pressing problem of climate change.

The hon. Gentleman asked whether we are honouring our international commitments to those who seek asylum in this country. Of course, we regard those commitments as very important and, as he will know, there are no forced deportations to Zimbabwe. All applications are considered on a case-by-case basis. As he has acknowledged, we have chosen the Congo as the subject of this afternoon's topical debate.

The hon. Gentleman said that he will choose the Post Office card account as the subject of his Opposition day debate. All that I can say in response to his questions is that we are all very aware of the House's interest in that contract.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. and learned Friend consider an early debate on Lloyds TSB's proposed takeover of Halifax Bank of Scotland? That bank employs many thousands of people in Yorkshire, most of them in west Yorkshire in the area that my hon. Friend the Member for Halifax (Mrs. Riordan) and I represent. We know that good things are happening, and we do not want HBOS to fail, but there is a feeling among parliamentarians in Yorkshire that we are not being kept in the loop. We need assurances that the many thousands of jobs in Yorkshire will be maintained under the new structure when it emerges.

Ms Harman: I understand only too well my hon. Friend's commitment to his constituents and his concern for his constituency and the region in terms of the effect on jobs at Halifax Bank of Scotland. I understand that the regional Minister for that area is liaising with its MPs. The regional development agency also has a strong focus on the matter, and the regional council met for the first time yesterday. However, I will raise his point with the Secretary of State for Business, Enterprise and Regulatory Reform.

Mr. Nicholas Soames (Mid-Sussex) (Con): May I ask the right hon. and learned Lady a question that I asked the Deputy Leader of the House a couple of weeks ago? Will she make the strongest representations to the Prime Minister that he should come to this House himself to make a statement on the progress of the wars in Iraq and Afghanistan? Is she aware that he has not made a

[Mr. Nicholas Soames]

statement to this House on the Afghan war since 12 December 2007? Is she further aware that during the second world war the Prime Minister came to this House on 13 occasions in the Parliament of 1939-1940 and on 25 occasions in the Parliament of 1940-1941 to keep it properly informed of the progress of the war? Many young men and women have died in our name and for us in Afghanistan, and it is a disgrace—a real disgrace—that ahead of Remembrance Sunday the Prime Minister has not been to this House to update us on the progress of this terrible war.

Ms Harman: I think that we would all agree that the House is right to expect to be kept informed of the situation in Afghanistan. We have had a number of statements from the Defence Secretary on Afghanistan, and the Prime Minister has on several occasions responded to questions about it at Prime Minister's Question Time. In addition, we have had a number of defence debates that have allowed the House the opportunity to hear from Ministers, make speeches and debate the issue of Afghanistan. However, I will bear in mind the points that the hon. Gentleman has made.

Keith Vaz (Leicester, East) (Lab): Has my right hon. and learned Friend had the opportunity to look at early-day motion 2416?

[That this House condemns the creation of the online computer game Kaboom which asks the player to replicate the actions of suicide bombers; believes that this game is offensive to the families of those killed by suicide bombers and devalues all human life; further believes that this game depicts an unnecessary level of violence; is deeply concerned that vulnerable people under the age of 18 are able to access and play this game; calls upon the game's creator to show sensitivity and responsibility by removing it from the internet; welcomes the findings of a new study from Iowa State University which recognises the link between violent video games and aggressive behaviour; and calls on the Government to revise its regulation of violent video games.]

It refers to an online computer game called "Kaboom", which asks players to replicate the actions of a suicide bomber. Does my right hon. and learned Friend agree that that is offensive to the families of the victims of suicide bombings and that it devalues human life? I have raised this matter on several occasions at business questions and in other debates. What action are the Government taking to remove such material from the internet or, at the very least, to approach service providers to ensure that they take appropriate action? Children and young people will be able to have access to those games. Could we have a debate on this important matter?

Ms Harman: The Government are concerned about the effect on children of violent internet and video games, which is why we commissioned the Byron review. That set out how we need action from parents, from the industry itself and from the Government to ensure that there is proper control of content and clear labelling to protect young children. I pay tribute to my right hon. Friend's long-standing interest in these issues, which he had even before he became Chair of the Select Committee on Home Affairs. Under his leadership, the Committee has taken a strong interest in such matters. I bring to his attention the fact that on Thursday 13 November, in Westminster Hall, there will be a debate on the question of harmful content on the internet and in video games.

Greg Mulholland (Leeds, North-West) (LD): Can the House find time to debate the increasingly topical issue of pub closures, particularly the supply tie and the power and conduct of huge pub companies. Last year alone, bankruptcies among pub landlords increased sevenfold—and that was before the current economic difficulties. The treatment of some licensees is quite disgraceful, as was visibly demonstrated by the excellent front-page story in the *Wharfedale and Airedale Observer* today about Enterprise Inns quite scandalous and shameful treatment of my constituent Wendy Prangell. Can this important matter, which is of relevance to every Member, be debated so that hon. Members can contribute and give their own experiences?

Ms Harman: It is Department for Culture, Media and Sport questions on Monday, so I suggest that the hon. Gentleman brings the matter to the attention of the Secretary of State on that occasion.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Postwatch merged with the National Consumer Council and Energywatch on 1 October to create Consumer Focus. However, may we have a debate on whether it was an appropriate use of taxpayers' money for Postwatch to spend £2,910 on the production of, and a further £2,483 on the distribution of, 2,000 copies of something commemorating its seven years of existence?

Ms Harman: My hon. Friend raises a question about whether public money was properly spent in this case. A number of hon. Members have mentioned that, so I will raise it with the relevant Minister.

John Bercow (Buckingham) (Con): Further to the announcement by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), the shadow Secretary of State for Health, that a future Conservative Government will reform the National Institute for Health and Clinical Excellence to allow it to consider the wider social costs of denying treatment to patients when assessing its value or benefit, may we have a debate in Government time on the Floor of the House on the criteria used by NICE when making its recommendations?

Ms Harman: There has been a lot of concern about the work of NICE, and the Secretary of State for Health announced that there will a review to ensure that it speeds up its consideration of whether it will recommend new treatments developed by the pharmaceutical industry to make them available on the national health service. The availability of new medicines that can help to save lives as well as alleviate suffering is a question not only of NICE getting on with its business quickly and efficiently, but of extra investment in the NHS. It is important that the Government sustain investment in the NHS in the way that we are committed to.

I shall just take this opportunity, because I know the House is concerned about this matter, to say that an interest rate cut of 1.5 per cent. has been announced by the Bank of England. I am sure that that will be widely welcomed, and there will be an equally strong expectation

that that interest rate cut should be passed on to those who have mortgages, and those who are running small businesses.

Ann Coffey (Stockport) (Lab): I have received, as have other right hon. and hon. Members, correspondence from constituents regarding the Free Our Bills campaign. They are asking for changes to be made to the way in which Bills are published on the parliamentary internet, and they are making some valid points. For example, when Bills have been amended in their progress through both Houses, it is sometimes difficult to understand their content when they reach their final stages. Would my right hon. and learned Friend look into that matter to see what improvements can be made to ensure better public scrutiny of our proceedings?

Ms Harman: My hon. Friend, as a long-standing member of the Modernisation Committee, makes an important point. It is important that Members, let alone the public, can decipher the situation. The House authorities are looking at how we can make the business of the House more readily understandable in the House, and on the House website—so information is available to the public. The Deputy Leader of the House is working closely with them to take those matters forward.

Dr. William McCrea (South Antrim) (DUP): In the St. Andrews agreement, the Government indicated that they would take action if any party defaulted on its commitments to ensure that the rest were not disadvantaged. As Sinn Fein is refusing to allow Executive meetings to take place in the Northern Ireland Assembly, can the Leader of the House ask the Secretary of State for Northern Ireland to come to this House and tell us how he intends to make good on this commitment?

Ms Harman: I will raise the hon. Gentleman's important point with the Secretary of State for Northern Ireland.

Fiona Mactaggart (Slough) (Lab): Can the Leader of the House find time for a debate on inequality? She will be aware of the OECD report that says that inequality in Britain is reducing, but we remain one of the most unequal societies. In the present economic situation, those who will be hardest hit are those who are already finding things hard. I would like a debate on that subject so that we can hear what Members believe the Government can do for their constituents.

Ms Harman: I, too, very much welcome the report that shows finally, after many years of a growing gap between rich and poor and decreasing social mobility, that that situation is beginning to turn around, following the actions that the Government have taken since 1997. Provision for children has been particularly important, such as Sure Start centres. My hon. Friend will know that the House will shortly receive a Green Paper on social mobility, and the Queen's Speech will include an important equality Bill.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I reinforce the message of the shadow Leader of the House to the effect that we should have an early and full debate on the economy? I suggest that we entitle it, "Boom and bust: the Prime Minister's competence and credibility." That will enable us to ask whether, when he said that he had abolished boom and bust, he believed what he was saying, in which case he was economically illiterate, or whether he did not believe it, in which case we can ask whether his moral compass is a reliable instrument.

Ms Harman: This is a serious issue. The economy faces a big challenge, and we are concerned to protect homeowners, small businesses and jobs, and to ensure that we keep energy costs as low as possible. Those are the issues we remain concerned about. The Prime Minister made it clear only yesterday that it is fortunate that we face this economic challenge against a background of relatively high levels of employment and relatively low levels of unemployment. Having paid off debt over the past 10 years, as well as investing in the NHS and education, we are in as good a position as we could be to face those difficult economic circumstances. *[Interruption.]* Hon. Members have questioned the point about debt, and let me remind them—*[Interruption.]* They challenged my point about us paying off debt. When we came to government in 1997, debt was 43 per cent. as a percentage of GDP, and while still investing in hospitals and schools, we brought that down to 37 per cent.

Lorely Burt (Solihull) (LD): Could we please have a debate on the Government's role in regional spatial strategy? In Solihull, after the strategy had been agreed, the Government commissioned an outside consultant—Nathaniel Lichfield and Partners—to produce a report that suggests that we should triple the number of homes that we had agreed to build. I am sure that this matter concerns all hon. Members, so could we have a debate on the role that the Government should be playing in regional spatial strategy?

Ms Harman: I hope that, next Wednesday, when we establish—if the House so wishes—the regional Committees, there will be an opportunity for much better accountability to the House on matters such as regional spatial strategies.

Sir George Young (North-West Hampshire) (Con): Further to that answer—and we are, indeed, to debate regional accountability next Wednesday—I see from the Order Paper that the right hon. and learned Lady proposes to restrict to 90 minutes the debate on that highly controversial and divisive motion, which was carried on her casting vote in a Select Committee. Between now and then, will she reflect on whether we should have more time to debate the matter? When she introduces the motion, will she make it clear that anybody who votes for a regional Committee should be prepared to serve on it and attend all its meetings?

Ms Harman: The Modernisation Committee has conducted extensive scrutiny, including several important evidence sessions. Its report and the minutes of the evidence sessions are available for hon. Members to read. The issues are clear. Some of us believe that there should be stronger, proper accountability to the House for the billions of pounds that make an enormous difference at regional level, and some believe that the current structures should not be changed. Others believe that there is a democratic deficit, but have different ideas from us about how we should change that. The issues are clear, and an hour and a half should be enough to discuss them. It will then be up to the House to make up its mind and vote.

Hywel Williams (Caernarfon) (PC): May we have a debate on the rate of value added tax levied on housing repairs? It is currently 17.5 per cent., compared with 5 per cent. for new build. Housing repairs are much more important than new build in Wales because we have a large stock of old, unfit and substandard housing, and the differential tax rate is a significant burden.

Ms Harman: As the hon. Gentleman knows, tax rates are a matter for the Chancellor of the Exchequer, who considers those issues and makes announcements to the House in the pre-Budget report and the Budget.

Sir Nicholas Winterton (Macclesfield) (Con): May I emphasise the request from Conservative Members for a major debate in Government time on the economic situation? I personally believe that it should be a two-day debate because the matter is so important and so many people will want to speak. I would want to represent the position of savers and those who invest because, currently, all who invest make a loss on every pound that they invest because of the marginal rate of tax and the rate of inflation. Should not the Government take account of those who are responsible, provide for their pension, invest and save?

Ms Harman: Protecting the economy and people in this country in these difficult economic times and seeing the economy through is the Government's No. 1 priority. We have no intention of restricting the opportunity for the House to call Ministers to account and debate the effect in their constituencies and regions. I will therefore look again to ascertain whether there are further opportunities for a more general debate as well as the specific debates about energy, small businesses, jobs and training. I hear the point that people want a general economic debate.

Mr. David Heath (Somerton and Frome) (LD): May I associate myself with the point that the hon. Member for Mid-Sussex (Mr. Soames) made about the need regularly to update the House about the two conflicts that are being waged in our name and about which we have had little information recently?

May I make a more general point, as we approach Remembrance day? We should have a debate on the legal status of, and the responsibility for, war memorials, first, to establish that they will be maintained appropriately, and, secondly, to ensure that there is no doubt that communities that wish to commemorate those who have lost their lives in conflicts since the first and second world wars, especially in Iraq and Afghanistan, are entitled to do that.

Ms Harman: Obviously, we want to ensure that war memorials are properly maintained in all the cities, towns and villages where they provide such an important reminder.

The hon. Gentleman adds his voice to concerns that the Secretary of State for Defence should make a statement about Afghanistan, and I will raise the issue with my right hon. Friend.

Damian Green (Ashford) (Con): May I reinforce the call of my right hon. Friend the Member for Maidenhead (Mrs. May) for an early debate in Government time on ID cards? The Home Secretary is announcing today that, despite the constant stream of private, personal data that companies working for the Government have lost, she proposes to hand over the job of taking and storing the fingerprints of every adult in this country to outside contractors. It is bad enough if someone loses one's bank account details, but at least one can set up a new bank account. If somebody loses one's fingerprint details, one's identity is compromised for ever. The House needs to debate that potentially disastrous idea.

Ms Harman: The Home Secretary has regularly updated the House on ID cards. She has ensured that they are rolled out by piloting them and made it clear that they will not be extended into a national scheme compulsorily without a further vote in the House.

Mr. Paul Burstow (Sutton and Cheam) (LD): May I draw the Leader of the House's attention to early-day motion 2008 about the Post Office card account?

[That this House notes with concern the fact that the Department for Work and Pensions has written to Post Office card account holders informing them that the Post Office card account contract ends in 2010; further notes that Post Office card account holders, many of whom have made a conscious decision to support the Post Office by retaining their card account, are being instructed to take out bank accounts in order to receive benefits beyond 2010; expresses its dismay at the fact that the letter does not mention the fact that a replacement for the current card account is currently out to tender, or make any mention of other Post Office products or services; believes that this is a deliberate attempt to encourage people to switch payment to direct debit and remove the role of the Post Office; notes the additional damage inflicted on the Post Office by the Driver and Vehicle Licensing Agency, who are currently sending out licence renewal reminders as part of a communications campaign which makes no mention of the Post Office; calls on Ministers in the Department for Business, Enterprise and Regulatory Reform to encourage Ministers in the Department for Work and Pensions to consider the impact on communities across the country if the Post Office card account is not renewed; and encourages all Government departments to make their services available through post offices in order to ensure that they have a viable future.]

The early-day motion has been signed by 80 hon. Members from all parties, and expresses concern about the impact of the loss of the card account business to the Post Office's bottom line and the consequential impact on local communities. Will the Leader of the House answer the question of my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes), who asked for a clear assurance that there will be no pre-announcement of the matter, and that the decision will be announced in a statement to the House so that hon. Members can ask questions of the Secretary of State?

Ms Harman: I reassure the hon. Gentleman, as I reassured the hon. Member for North Southwark and Bermondsey (Simon Hughes), that I understand the importance of the Post Office card account contract to hon. Members of all parties. Obviously, the hon. Gentleman can make any further points in the Liberal Democrat Opposition day debate on Monday.

Mr. Andrew Mackay (Bracknell) (Con): Following the bovine remarks of the Under-Secretary of State for Defence, the hon. Member for Grantham and Stamford (Mr. Davies), and his woefully incomplete apology in Defence questions on Monday, will the Leader of the House let us know on which day next week he will return to the House to apologise from the Dispatch Box for the slur that he cast on commanders in Afghanistan and Iraq, especially Major Morley?

Ms Harman: All our Defence Ministers are strongly committed to supporting our armed services—I am sure that that applies to all hon. Members—and ensuring that they have the right equipment as they do their important and dangerous work. There has been record investment in equipment for the armed services.

Mr. Alan Reid (Argyll and Bute) (LD): A simple yes/no answer from the Leader of the House, please. Will the statement on the Post Office card account be an oral statement to the House before the announcement is made anywhere else—yes or no?

Ms Harman: All I can say is that, when the decision has been made, the House will be made aware of the arrangements for communicating it. I cannot give the hon. Gentleman a yes or no answer now—the subject is not part of the business that I announced today.

Mr. Andrew Robathan (Blaby) (Con): You, Mr. Speaker, will have noticed that the Leader of the House failed to respond to the question of my right hon. Friend the Member for Maidenhead (Mrs. May) about the Prime Minister's comments about Lord Myners. It is an important matter, about which the Prime Minister should make a statement, because either Lords *Hansard* is wrong or the excellent, highly paid and professional civil servants failed to brief the Prime Minister correctly—none of us can believe that the Prime Minister, with his moral compass, could possibly have misled the House.

Ms Harman: All I can say is that the hon. Gentleman should support the inquiry that the Treasury Committee is conducting.

Richard Younger-Ross (Teignbridge) (LD): May we have a statement on the position of the Tibetan community in Nepal? Following anti-Chinese demonstrations, many in the community face extradition to China because India has said that they cannot move there. Given our relations with India, our past history with Nepal and the fact that we occupied Tibet for nearly 40 years, may we have a statement about what the Government will do to help that community?

Ms Harman: I suggest that the hon. Gentleman raises the matter with the Foreign Secretary next Tuesday, when he will answer oral questions.

Andrew Rosindell (Romford) (Con): The right hon. and learned Lady will be only too aware of the enormous sacrifices that loyal British citizens of the Crown dependencies and overseas territories made during conflicts. Will she explain why, yet again, on Remembrance Sunday, they will not be allowed to lay a wreath in their own right at the Cenotaph in Whitehall? Will she arrange for the Foreign Secretary to make a statement about the overseas territories and for the Lord Chancellor to explain why the Crown dependencies are not represented?

Ms Harman: I am afraid that I will have to look into that issue. I will call the hon. Gentleman this afternoon and let him know what the situation is.

Jeremy Wright (Rugby and Kenilworth) (Con): The Leader of the House will recognise the widespread eagerness to see the Government's national dementia strategy for England, so may we have a ministerial statement on when it will be published? The original Government indication was for it to be ready in the autumn, although I accept that that is becoming a relatively flexible concept. Can she also ask that that ministerial statement include confirmation that an immediate review into the prescribing and use of anti-psychotic drugs to treat sufferers of dementia will be completed before the publication of the strategy?

Ms Harman: The hon. Gentleman makes an important point about the national dementia strategy, which I shall bring to the attention of the Secretary of State for Health.

Mr. Graham Stuart (Beverley and Holderness) (Con): Rural areas, including my constituency of Beverley and Holderness, have large numbers of elderly people and infrequent buses. Can the Leader of the House tell the hundreds of constituents who have written to me about the pharmacy White Paper when the House will be informed of whether the Government are going to press ahead with proposals that could lead to the closure of dispensaries and GP practices serving elderly people in rural areas, who will then have to leave their GP's surgery in the rain and snow and go across to a local chemist, before perhaps missing a bus back to their village?

Ms Harman: I will raise the hon. Gentleman's point with the Secretary of State for Health. An important point is not only the availability of pharmacies, but public transport in rural areas, the commitment to free travel for elderly people and the increasing availability of rural transport.

Mr. Henry Bellingham (North-West Norfolk) (Con): Is the right hon. and learned Lady aware that the Land Registry has stated that later this month it will destroy up to 17 million original documents and deeds? Is she aware that those manuscript documents do not belong to the Land Registry? They belong to our constituents and are held on trust. Can we have an urgent statement on the matter? Have the public been properly consulted on the proposed move?

Ms Harman: I will raise the hon. Gentleman's point with the Secretary of State for Justice and Lord Chancellor, who is responsible for the Land Registry. Let me also take this opportunity to congratulate the Land Registry on how massively it has improved over the past decade or so.

Mr. Mark Harper (Forest of Dean) (Con): I just want to press the right hon. and learned Lady on the point that my right hon. Friend the Member for Maidenhead

[Mr. Mark Harper]

(Mrs. May) and others have raised. It seems clear that the Prime Minister was not well briefed at questions yesterday in his answer about the City Minister, Lord Myners. A facility has been introduced in *Hansard* whereby ministerial corrections can be made. If the record is not correct—and I believe that it is not—the Prime Minister should take steps immediately to put matters right.

Ms Harman: I think that the Prime Minister and all the Ministers in the Department for Business, Enterprise and Regulatory Reform and across the Government are rightly focused on protecting jobs and small businesses and ensuring that we have a proper financial services industry and proper accountability to this House.

Mr. Peter Bone (Wellingborough) (Con): Last Thursday, the excellent Conservative candidate Ben Lewis was elected as a councillor in my constituency. At the same time, however, a Minister visited the constituency without letting me know in advance. I have not received a personal apology yet, but I understand that one might be in the post. My point to the Leader of the House, however, is this. It seems to be a trend that Ministers do not let Members know that they are coming or they let them know just before. Will she provide a written statement next week on the advice that she gives to Ministers on this matter?

Ms Harman: It is imperative that Ministers on ministerial visits give information to the local Member of Parliament well in advance of their visit and not just at the last minute. As far as party visits are concerned, my visit to meet friends and colleagues in the Labour party in St. Austell was a party visit. It had nothing to do with my ministerial responsibilities, but I very much enjoyed it.

Mr. Philip Hollobone (Kettering) (Con): May we have a debate in Government time about the impact of cheap alcohol sales in supermarkets on the local licensed pub trade? There are 25 pubs and clubs in Kettering that are members of Kettering Pubwatch and they have contacted me to say that they are suffering financially from those deeply discounted sales. There are also law and order problems, because people are arriving in Kettering town centre for a night out already tanked up and ready to cause trouble.

Ms Harman: Perhaps the issue is one that hon. Gentleman, too, can raise with Ministers in the Department for Culture, Media and Sport on Monday in oral questions.

Mr. Andrew Pelling (Croydon, Central) (Ind): This House, as part of the Palace of Westminster, acts as a welcoming host to 1.2 million visitors a year. As part of the newer version of security, many people are given their ID cards with cords. I was very grateful to an Officer of the House and the Deputy Leader of the House for taking an interest in what happens to those cords after they are disposed of. Can the Leader of the House's office do something to ensure that they are fully recycled?

Ms Harman: The issue has been raised by a number of hon. Members and the House authorities are aware of it. There is a concern about whether straightforward re-use, which would mean people wearing a lanyard that had been worn by a number of other people, would be right. There is also the question of how they could be recycled. However, they are not being thrown away while the issues are being considered, but kept until the big decision about what to do with them is made.

Points of Order

12.26 pm

Mr. Nicholas Soames (Mid-Sussex) (Con): On a point of order, Mr. Speaker. I ask you this question in your capacity as the guardian of the rights of Members of Parliament. I imagine that you feel as ashamed as I do that this House has not had a full debate on the economy during a time of serious difficulties in this country, both nationally and for all of us locally, with many of our constituents having a hard time. I know that you cannot insist on this, but could you do your very best to remind Ministers that it is the job of this House to hold them to account and to be informed on the great issues of the day? Such matters are debated in every forum in the country, but not in the House of Commons. That is a great shame.

Mr. Speaker: I say to the hon. Gentleman that what he has done today, through his point of order, is to put the matter on the record. It will be noted by Ministers that they are accountable to this House and that they must come here on a regular basis.

Greg Mulholland (Leeds, North-West) (LD): On a point of order, Mr. Speaker. I seek some clarification. I was keen to raise with my neighbour, the Secretary of State for Environment, Food and Rural Affairs, the dismaying news that the Tetley brewery in Leeds is to close. The issue is about beer, our great national drink, but I have received conflicting advice on whether beer comes under the remit of his Department. Can you clarify, Mr. Speaker, whether it is appropriate to raise an issue of huge importance to British beer—in terms of the product, rather than the industry—in that way, just as it would be to raise an issue of such importance for Scotch whisky or British wine, which are clearly important products, too? Indeed, should the Department not really be called the Department for Environment, Food, Rural Affairs and Drink or DEFRAD?

Mr. Speaker: I share the hon. Gentleman's fears, because although I am a teetotaller, I have a brewery and the whisky industry in my constituency, and I used to have the tobacco industry. What I can tell him is this. The industry that he talks about is a very good employer of labour and he as a local Member of Parliament must concern himself with the redundancies. I suggest that he applies for an Adjournment debate, puts down questions for other Departments and ensures that he lets the workers in that industry know that he is trying to be their voice here in Parliament.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): On a point of order, Mr. Speaker. My hon. Friend the Member for Wellingborough (Mr. Bone) raised with the Leader of the House the propriety of Ministers' notifying local MPs of visits. The Leader of the House quite correctly made it plain that, when a Minister goes to a constituency on ministerial business, he or she should notify the local Member. I understood her to suggest that Members of Parliament attending party functions were not under a duty to notify local Members. However, reaching back to when I first entered the House, my understanding is that whenever a Member goes to another Member's constituency on anything other than private business, they ought to notify the local Member. Can you assist us on this?

Mr. Speaker: A Minister going to another constituency on ministerial business has an obligation to notify the Member of Parliament concerned, and I do not expect the Member to receive that notification through an e-mail appearing in their system. That has been cropping up recently, but this should be done properly. However, I would say that a party activity is, in a sense, a private matter for a Minister. If a Minister is taking part in a party activity as a member of a political party, it is not necessary to inform the local Member of Parliament. We should not be over-sensitive when someone visits a constituency, but when they do so in their ministerial capacity, or when a Back Bencher goes to a constituency to carry out an official function such as an opening, they should notify the local Member of Parliament. I would not expect them to notify the Member about party activities.

Simon Hughes (North Southwark and Bermondsey) (LD): On a point of order, Mr. Speaker. You are very good at wanting to protect the interests of Back Benchers, and I want to ask you to help us on a specific matter. My hon. Friends the Members for Sutton and Cheam (Mr. Burstow), for Argyll and Bute (Mr. Reid) and I expressly asked the Leader of the House for an undertaking that no statement on the future of the Post Office card account would be made outside the House by the Secretary of State for Work and Pensions unless or until such a statement had been made here. There are strong rumours that a statement might be made tomorrow, which, according to normal convention, would be completely unacceptable. Will you make it as clear as you can that you expect the statement on the Post Office card account—a matter that colleagues in all parties have raised regularly and that affects all four countries in the United Kingdom—to be made here, and only here, first? In that way, the Secretary of State will be in no doubt that no statement, press release or leak can be made until he comes to the Dispatch Box to make the statement.

Mr. Speaker: I cannot go into such a specific matter or give an instruction to a Minister. The House is not sitting tomorrow, but the rule is that the Minister concerned should come to the House as soon as possible. I cannot prevent a Minister from saying something to the press, just as I could not prevent the hon. Gentleman from doing so. All I can do is give a broad hint that this is a very serious matter that I have heard being raised at every opportunity on the Floor of the House, and Ministers must take note of the deep concern being expressed in every part of the House. However, I cannot issue an instruction along the lines that the hon. Gentleman has suggested.

Richard Younger-Ross (Teignbridge) (LD): On a point of order, Mr. Speaker. Could you provide some clarity on the point of order raised by the hon. Member for Wellingborough (Mr. Bone) about visits to constituencies? Is it the case that, if a Member from another party visits a constituency for a party event, but then uses it for press or publicity purposes, notice should be given to

[Richard Younger-Ross]

the Member of Parliament for the constituency concerned? A whole string of Conservative Members of Parliament have been visiting part of my constituency that I am about to lose—it is going into Central Devon—but they have not had the courtesy to tell me of their visits. Perhaps people who live in glass houses should not throw stones.

Mr. Speaker: I think I made myself clear, and I shall not go any further than that.

TOPICAL DEBATE

Democratic Republic of the Congo

12.34 pm

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): I beg to move,

That this House has considered the matter of the political and humanitarian situation in the Democratic Republic of the Congo.

This is a very timely debate. The stark images from recent days of the suffering in the Democratic Republic of the Congo are a reminder of the human consequences of conflict in Africa. The numbers, too, are sobering. In a country with a population close to 60 million, around 1.5 million people have been internally displaced by conflict, many of them uprooted repeatedly. The last week alone has seen an estimated 55,000 people forced to leave their homes as troops under the command of the rebel leader Laurent Nkunda have advanced on the key regional city of Goma. They contribute to a total of 250,000 displaced people in North Kivu province since the resumption of fighting there in late August. Many of them are beyond the reach of agencies that can help them, caught in territory held by rebels where access is impossible.

All of this is taking place against a background of militias killing and torturing the civilian population, pillaging their belongings, and recruiting and deploying children as soldiers. The international community faces a substantial challenge in addressing the factors that have contributed to the unrest in the DRC and its appalling consequences.

Mr. David Drew (Stroud) (Lab/Co-op): Does the Minister agree that the problems of the DRC and the ongoing conflict between the Hutus and the Tutsis are not simply limited to that country? Is it not about time that the international community examined the wider conflict in that sub-region—in Burundi and Rwanda—and tried to initiate a genuine peace conference to try to bring about peace between the Hutus and the Tutsis?

Bill Rammell: I agree with my hon. Friend that there is a wider issue. Certainly, the role of the African Union is key to addressing that concern. There are also specific issues relating to the DRC, however, and I shall talk about those in a moment.

It is clear that the events played out in recent weeks stem from regional political tensions. The terrible events of the 1994 Rwandan genocide resonate in the ethnic strife seen today in eastern DRC. The ethnic Hutu FDLR traces its origins to the Genocidaire Interahamwe militia, and poses a real threat to the security of the Tutsi population. The abuses that it continues to commit mark the group as a destabilising factor, and I endorse the condemnation that it received in United Nations Security Council resolution 1804.

However, no party involved in the violence is free from responsibility for the region's very real suffering. Nkunda portrays himself as the defender of Tutsis, yet his militia, the CNDP, has committed atrocities of its own. The warlord Bosco Ntaganda, an International Criminal Court indictee, is among its most senior leaders, and it has been responsible for many of the excesses reported in the region. It is the march of the CNDP

towards Goma, in defiance of the authority of a legitimately elected Government, that has triggered the latest displacements in North Kivu.

The Nairobi agreement, concluded between the Governments of the DRC and Rwanda with the support of the international community in November 2007, offers a framework for addressing the threat of the FDLR. Though implementation has been slow, the agreement contains the right elements to begin to defuse the ethnic tensions between communities in eastern DRC.

Jeremy Corbyn (Islington, North) (Lab): Is the Minister prepared to search for any information on the links between the mining industry, the sales of minerals and the funding of various militia groups as a consequence of the theft of the wealth from the Congo?

Bill Rammell: I understand the point that my hon. Friend is making. That is one of the reasons why we have pushed strongly internationally for an extractive industries directive to tackle those causes. I think that there is an economic driver, but there are other factors as well. I shall talk about them in a moment.

The Government of the DRC must make sustained and comprehensive efforts to persuade the FDLR to disarm and leave, backed by military force where necessary. The needs to deliver on its commitment to bring war criminals to justice, too. For its part, Rwanda must create the conditions for demobilised FDLR members unconnected with the genocide to return to its territory.

Dr. Andrew Murrison (Westbury) (Con): I am slightly alarmed that the Minister has mentioned military force. Will he itemise which elements of the British armed forces have already been warned off for a possible deployment to the DRC? Will he also confirm that that would not involve any of the scarce elements of our strategic airlift capacity, which are fully involved in Afghanistan? Will he also tell us what he is doing with our European allies to ensure that any possible European deployment to the DRC will not cut into their commitments in Afghanistan?

Bill Rammell: With respect, the hon. Gentleman is getting way ahead of himself. I have been keen in the statement that I made earlier this week and again this afternoon to make it clear that although no contingency is ever ruled out, we strongly believe that MONUC—the United Nations organisation mission in the Democratic Republic of the Congo, the largest peacekeeping force anywhere in the world—needs to be deployed effectively. That is our overriding priority at the moment.

John Battle (Leeds, West) (Lab) *rose—*

Bill Rammell: I give way briefly, but then I want to make progress.

John Battle: Some International Development Committee members recently visited Goma, and I would like to put a point to the Minister. It seems to me that every time we hit a crisis, we respond in a box. It is now a human conflict crisis, but it has also been a development crisis and, in the past, a political crisis. Can we join those together? I am delighted to see the Under-Secretary of State for International Development, my hon. Friend the Member for Bury, South (Mr. Lewis), in his place on the Front Bench. When we talk about action from the international community, however, can we integrate efforts to tackle conflict, the politics and development at the same time, because if we do not, we will simply return to these situations time and again?

Bill Rammell: My right hon. Friend, who has huge experience in this area, is absolutely right that we must have a concerted and co-ordinated effort; ultimately, however, the circumstances call for a political solution. I know that several Members wish to speak in the debate, so I shall now make some progress.

I certainly applaud the decision of the UN Secretary-General to appoint the former President Obasanjo of Nigeria as his special envoy to eastern DRC. His task will be to find effective ways of mediating between the two Governments, encouraging them to make progress and fulfilling their commitments. The diplomatic initiatives being launched elsewhere are also welcome. The engagement of President Kikwete of Tanzania, the current chair of the African Union, is a hopeful sign of the readiness of regional leaders to help end the conflict in their neighbourhood and cement stability in its place.

Judy Mallaber (Amber Valley) (Lab): Can my hon. Friend confirm that President Kagame will definitely attend the Heads of State meeting in Nairobi this weekend? I understand that he has been somewhat equivocal in some of his public statements, although he claims that he is going.

Bill Rammell: My understanding is that he will attend that critically important meeting tomorrow. My noble Friend Lord Malloch-Brown is leaving this evening in order to attend it. The need for it is even more urgent, because in the past 24 hours the fragile ceasefire announced last week seems to have been broken with clashes around Kiwanja, just north of Rutshuru, 80 km north of Goma, between the CNDP and the PARECO Mai-Mai elements. MONUC engaged during the day and succeeded in pushing them further north outside Kiwanja. The fighting stopped at around 4 pm local time and both sides have retreated a little way from Kiwanja—the CNDP to the south and PARECO to the north. Things have been quiet so far this morning, but those events underline the urgency of the situation.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Given that Britain is a substantial donor to the nine countries that border the Democratic Republic of the Congo, does the Minister agree that we, too, should play a significant role in arriving at some settlement, rather than leave it to others?

Bill Rammell: I believe that we have a role to play, which is why the Foreign Secretary attended the meeting, along with the French Foreign Minister, and why my noble Friend Lord Malloch-Brown is leaving for the Heads of State meeting this evening. We are playing a constructive role and it is important for us to do so.

It is only through constructive co-operation that the DRC and Rwanda will deal effectively with the threat to regional security that the FDLR represents. With the international community's support, they must resume

[Bill Rammell]

their efforts and end the recriminations they have exchanged as the situation in the region has deteriorated. We have heard reports of cross-border interference as the violence has intensified in recent weeks. The two Governments need to agree and consistently apply a robust and reliable method of investigating the allegations, and they must deal effectively with cases where illegal activity is proven. Together with increased border security, that will isolate the destabilising forces in the region and promote collaboration towards the lasting political solution that the region needs. The international community will do whatever it can in support.

The DRC faces a further internal challenge to resolve the questions underlying the tensions between its indigenous communities on its eastern borders. The UK was closely involved in the peace and security conference held at Goma in January this year. After a long and constructive series of debates, that initiative saw a ceasefire and, crucially, agreement was reached between the Congolese Government and more than 20 indigenous Congolese groups on a range of important questions. It brought representatives of rival organisations under one roof to consider the issues affecting the east of the country and it set the Amani process in motion.

The UK has been among the most closely involved of all international players in the effort to implement the accords signed at Goma, which I know has been widely welcomed. There is also no doubt that resolving such urgent questions as access to land, the return of refugees from outside the DRC and greater respect for human rights will encourage better inter-communal relations.

Nkunda's declaration in October that he was withdrawing from the Amani process was very damaging. The international community should reject Nkunda's call for bilateral talks with the DRC Government, as the issues behind regional instability run wider than his concerns. The Amani process still offers the best opportunity for all communities, including the Tutsis whom Nkunda claims to represent, to settle issues jointly. The way is open for Nkunda to rejoin the Amani process; I strongly believe that he should take that opportunity.

The DRC Government bear the responsibility for their citizens' security. Their armed forces need to be better equipped and trained to confront the illegal militias that prey on the civilian population.

Mr. Chris Mullin (Sunderland, South) (Lab): With the best will in the world—not always present in the Congo—there is no way that the Congolese armed forces will be in a position to enforce the rule of law in the east. What is needed in the short term at least, and probably in the medium term, is to reinforce MONUC, which Alan Doss has requested since early October. Failing that, mounting the sort of operation suggested by the French, involving an EU force, could be suggested. What is our position on both those matters?

Bill Rammell: As I said earlier this week—I think in direct response to questioning by my hon. Friend the Member for Sunderland, South (Mr. Mullin)—we believe that MONUC forces on the ground are best placed to deal with the situation. It is the biggest single peacekeeping operation anywhere in the world. We certainly support its efforts and commend it for its work. I have to say that it is unlikely that a rapid deployment of forces from the EU or elsewhere could significantly increase the capability that already exists in the region. Discussions with our EU partners have revealed a broad consensus in line with that assessment. MONUC is our most productive way forward. We need to ensure that troops are deployed appropriately. There are issues about the caveats of a number of the national forces that are part of MONUC; we are certainly seeking to address them and have them removed—

Mr. Mullin: And numbers.

Bill Rammell: And numbers, but I believe that we need to put all our efforts behind ensuring that MONUC succeeds.

Mr. Edward Davey (Kingston and Surbiton) (LD) *rose—*

Bill Rammell: I will give way briefly, but then I really must make some progress.

Mr. Davey: Further to the Minister's reply to the hon. Member for Sunderland, South (Mr. Mullin), Alan Doss, the head of MONUC, asked for 2,700 extra troops for nine months in October—before the recent crisis erupted—so it is a question of the size and capacity of MONUC forces. What are the Government doing to ensure that Alan Doss, a British commander leading MONUC, gets the forces that are needed, whether from the African Union, the European Union or other countries?

Bill Rammell: We are certainly keeping the situation under review, listening to advice on the ground and seeking to do everything that we possibly can to ensure that the numbers are appropriate and are deployed in the most effective way. Given that it is the biggest peacekeeping force anywhere in the world, I think that the numbers are in place, but they need to be in the right places. That is what we need to push to address.

There have been calls from some quarters for the EU to provide troops to help guarantee supply and support, and I have addressed that issue in answer to questions. The International Criminal Court opened its investigation into events in the country in June 2004. With the exception of Nkunda's partner, Bosco Ntaganda, all the Congolese individuals subject to arrest warrants issued by the ICC are in the court's custody. The DRC has co-operated in the process to bring them to justice and we expect it to continue to fulfil its obligations to the court. The broader task ahead is to develop a culture of accountability and tackle the impunity that has had such a detrimental effect on life in the country. That extends to economic issues, which echoes the point made by my right hon. Friend the Member for Leeds, West (John Battle). The UK is working to promote transparency in the mineral sector, and to create conditions in which the DRC's natural wealth can be better managed and used for the benefit of the population.

Simon Hughes (North Southwark and Bermondsey) (LD): This country will welcome the Government's response, but there are many refugees from the Congo here. I have Congolese constituents, and I am sure that many other Members have as well. Can the Minister assure us that he is in touch with the Home Office to

ensure that we are not sending people back who are at risk for the reasons that he has set out so clearly? Will he and the Home Office hold a joint briefing of Congolese people who are properly resident in the United Kingdom, so that they can be reassured that their interests and their families' needs are being looked after properly?

Bill Rammell: We certainly do not make a practice of sending people back if they will be at risk as a result, but I accept the hon. Gentleman's point about communication, and I will talk to my colleagues in the Home Office.

Given the scale of the suffering and the brutality of the DRC's militias, which I outlined earlier, there is a clear humanitarian case for the UK and its allies to do all that we can to end the violence, and to work in the interests of stability and good governance in eastern DRC. However, there are also hard-headed pragmatic reasons for the UK to be involved. I believe that the potential of the African Great Lakes region is enormous, but for too long the story in eastern DRC has been one of suffering, instability and poverty, and the conflict there has exacted a heavier toll than any other since the second world war. Greater stability could improve the prospects of the entire region. We, as a country, have committed £300 million in development aid to the DRC for the period ending in April 2011, which places us among its foremost donors, and the additional funding for humanitarian aid announced last week by my right hon. Friend the Secretary of State for International Development is beginning to make itself felt through additional relief flights.

We will continue to monitor events in the DRC and the wider region, and to seek opportunities to stimulate development and prevent the slide back towards the tragic circumstances that we have witnessed. That is and will remain an absolute priority for us, as was demonstrated by the Foreign Secretary's visit at the weekend.

12.52 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I welcome the opportunity to debate this topic, following our short exchange earlier in the week under the urgent question procedure. Much more has happened in the past 72 hours, and in relation to the humanitarian effort, we have probably not yet seen the worst, so the debate provides a good opportunity for an update.

As the Minister said, the humanitarian crisis is on a vast scale. I think many Members fear that the efforts being made by the United Nations and, indeed, the relief organisations are mixed, to say the least. We fully support the Government's decision to send an aid shipment to the DRC, but I hope that when the Under-Secretary of State replies to the debate he will respond to some of the questions that I shall pose on that and other issues.

I understand that food aid has been slow to arrive in the region as charities have struggled to organise effective distribution. Is the Minister confident that those difficulties have been overcome? What is his estimate of the number of people who now have access to aid, and of the number of people who have not so far been reached?

Bad as the situation is, it would be far worse without the presence of the United Nations peacekeeping mission in the DRC. The presence of military contingents of MONUC in major cities and rural areas in eastern Congo is the single most important factor preventing the total collapse of state authority. MONUC's present mandate is to protect civilians, maintain stability, assist the disarmament and demobilisation of armed groups, and promote security sector reform. That mandate is up for renewal at the end of the year. Although the Security Council will almost certainly agree to continue to support it into 2009, there have been some rumblings, particularly in the United States Congress, suggesting that MONUC should be closed because of its cost.

Does the Minister agree that MONUC's continued presence in the DRC will remain essential for some time, and can he assure us that its mandate will swiftly be extended? Can he confirm reports today that the UN forces have said they will use military force to defend Goma if the militia attempt to attack the city? Can he assure us that urgent discussions are taking place on what changes are needed to the mandate, composition and strength of MONUC, so that it can discharge its mandate and protect innocent civilians?

The Congolese armed forces have not been able to hold off the rebel forces or maintain security. It is even reported that, in some cases, the rebels are better armed, largely because many of the region's natural resources have been looted and sold on. Does that not suggest that MONUC needs to do more to train a reformed Congolese army and police force? Has any consideration been given to what technical assistance or advice Britain could offer in that regard?

Mr. Philip Hollobone (Kettering) (Con): I am following my hon. Friend's remarks with great interest. The MONUC force is made up of 17,000 soldiers, mainly from India and Guatemala. Is it not time for some of the western European nations that are not pulling their weight in Iraq and Afghanistan to respond to an urgent call to reinforce it?

Mr. Simpson: I think my hon. Friend will recognise that two issues are involved. One is the composition of the United Nations forces. I am not certain that there is a requirement for sending in more United Nations troops. The other, separate issue is the possibility that, at some stage, the EU may send one of its brigades.

My hon. Friend has raised an interesting point. The UN mission is not a large, coherent force in military terms. It has been sent not as a division, but to undertake pretty limited duties. There are, however, major concerns about the effectiveness of its leadership, military cohesion and, indeed, firepower. Sadly, there have been instances of UN forces' withdrawing in the face of initial militia activity.

Hugh Bayley (City of York) (Lab): I was interested by what the hon. Gentleman said about the EU's contingency plans for the deployment of a brigade, if that proved necessary. I ask this question simply to elicit information. There has been scepticism in the Conservative party about whether the EU ought to have the military role that it has. Why does the hon. Gentleman think that, on this occasion, an EU force would be the most appropriate bolster for MONUC if we—the western alliance—decided to send in forces?

Mr. Simpson: I shall come to that shortly.

[Mr. Keith Simpson]

There have been reports of MONUC soldiers' being implicated in the trafficking of persons and sexual abuse. Can the Minister assure us that any such allegations have been fully investigated and necessary action taken?

Let me now deal with the EU and British role. It is my understanding that if efforts by MONUC to stabilise the eastern Congo and protect the civilian population should fail in the short term, the EU may act to try to accomplish that. There continues to be some confusion about what role Britain would have in any such effort.

The legal and military position is that a British battalion is on standby to form part of one of the EU brigades. Both in response to the urgent question and today, the Minister gave us the impression that we were talking about a hypothetical situation, but can he confirm that First Battalion The Rifles is already undergoing training and preparation for action in the event of deployment of that EU brigade? Those are of course contingency measures, but I have reliable reports that preparation is taking place. Can the Minister also confirm that the battalion's role as the UK commitment to the EU brigade will cease at the end of December, and that if that happens there will be no British battalion on standby to participate in either EU brigade in the event of deployment? Those are important factual questions that need to be clarified.

Is the Minister aware that the United States has more than a passing interest in the crisis? He may know that an Act was introduced in the Senate by one Senator Barack Obama. It was passed by Congress and signed off by President Bush in December 2006. It refers to the DRC, relief, security and democracy and clearly spells out the kind of actions the United States of America expected from the DRC and what actions it would take if the DRC failed to perform them. I do not know whether the Foreign Office has begun to participate in any discussions with President-elect Barack Obama's advisers on this subject, but that Act is already on the US statute book and it shows that the President-elect takes a considerable interest in the matter.

The international community's response has at times lagged behind events. As the Minister has pointed out, the DRC's size and location make it vital to the stability of the whole of central Africa. We welcome the forthcoming visit of the UN Secretary-General and hope that the meeting this weekend will produce the sort of political solution we all want.

The rebels have accused Congo's allies, Angola and Zimbabwe, of mobilising to back Government forces, while the Government, backed by reports from UN peacekeepers, say that Rwanda is helping the insurgents. Can the Minister clarify these reports? Does he agree that the possibility of a wider conflict is adding urgency to the UN Secretary-General's attempts to bring Congo's President Kabila and Rwanda's President Kagame together for talks? What help have the Government given to ensuring that the talks are productive? We assume that Lord Malloch-Brown's attendance at the talks is more than just a diplomatic nicety.

As has been mentioned, Britain gives a significant amount of aid to the region. Does the Minister agree that Britain must make it clear that we expect the Governments that receive British support to behave in a responsible manner, and not in any way to fuel the crisis? Does he agree that there is an urgent need for a comprehensive strategy to tackle the fundamental problem of insecurity in the eastern provinces, and that such a strategy should address the establishment of an effective Congolese army and police force, without which there are no serious incentives for the militias to co-operate with the central Government?

The feeling in all parts of the House is that we have been here before in the past several years, yet nothing has actually been done about the situation. Most Members feel that the various protagonists involved in the crisis must now be forced to fulfil the undertakings they have given.

Does the Minister agree that there is a need to establish close co-ordination with other interested states and institutions? Besides the UN, they include the World Bank, the International Monetary Fund, the Southern African Development Community, many African states, and, perhaps increasingly, China.

The crisis is occurring on a scale that beggars belief. While we are debating it here, literally tens of thousands of people have fled their homes. As Members have said, they have not fled to established refugee camps where they can be protected and fed. There is real urgency to this situation, and I trust that Ministers will continue regularly to update the House, so that Members may debate it.

Madam Deputy Speaker (Sylvia Heal): Order. I remind Members that Mr. Speaker has imposed a 10-minute time limit on Back-Bench speeches.

1.3 pm

Mr. Eric Joyce (Falkirk) (Lab): I hope not to speak for as long as 10 minutes. I have listened carefully to the speeches of my hon. Friend the Minister and the hon. Member for Mid-Norfolk (Mr. Simpson), and I want to talk about the situation in Goma, to follow on from the remarks of my right hon. Friend the Member for Leeds, West (John Battle), and to make a couple of points about what might happen. The Opposition spokesman has, of course, also put a number of questions to the Minister; I am sure that my hon. Friend will respond to them, and we all want to hear his answers. The general direction of travel in terms of the Democratic Republic of the Congo is fairly bipartisan, although the hon Member for Westbury (Dr. Murrison) talked about commitments of troops in other places, about which there are valid points to be made.

I listened to what my hon. Friend the Minister had to say about the situation in Goma, and I am three quarters in agreement, but not entirely. The problem is difficult, because the situation is moving. The Foreign Secretary is elsewhere, and he has already been out there. The Government have shown as much commitment as they possibly can—the DRC is high on their agenda. It probably should have been higher up the world agenda before, but it is up there now because of the terrible things that are happening—that is a perverse upside of recent events. I also understand that Lord Malloch-Brown is off there tonight. The situation is fluid, therefore. I acknowledge that it is not my hon. Friend the Minister's immediate area of responsibility, and some greater in-depth knowledge might be expected from the Ministers for whom it is an immediate area of responsibility, particularly

Lord Malloch-Brown. That is no one's fault; it is merely a consequence of Lord Malloch-Brown being in the Lords.

The Congo is very large and there are 17,000 United Nations troops there. The Kivus, however, are not particularly large, so a force of 17,000 troops might be more significant than it sounds. People mention the size of the Congo, but we are talking about a relatively small area of the country. None of us wants to be an armchair general or an armchair diplomat. My remarks are just common-sense comments that come from looking at what is happening on the ground. The Lord's Resistance Army and many other organisations, including some that do not have names, as well as groups of bandits, are operating across the Congo. There are problems in Ituri and other issues, so Alan Doss, the UN special representative in the Congo, faces constraints on what he can do with those 17,000 troops. We must take care to ensure that he does not displace troops from areas that might then become problematic. The history of the Congo tells us that when one problem is solved, another one crops up because there are underlying issues, which I hope to have a couple of minutes to discuss.

I am not yet convinced that there is not a requirement for additional troops. As the Liberal Democrat spokesman, the hon. Member for Kingston and Surbiton (Mr. Davey), has said, there has been a request for an additional 2,750 UN troops. The Rifles have been mentioned, but my instinct is that UK troops are fairly hard-pressed. I do not know the details of any information at the higher political level, but I would not rule out the possibility of, let us say, the Belgians sending some troops there, and I understand that they are perfectly confident of being able to deploy there. I have had two messages from the Foreign Office: at ministerial level, I am hearing that all possibilities are kept open, but at an official level it is not quite as clear that we have not ruled this out. I would not like to hear that the UK was against the idea of Belgian troops, for example, being deployed. There may be a higher level political reason for that; I cannot imagine what it might be, but perhaps I could be persuaded. At present, however, it seems to me that there is a strong case for increasing the number of troops there, not simply to deal with the Goma situation, but for what comes after that in the next three, six and nine months. We simply do not know what will come next.

I hope that we are now seeing a reapplication of the Nairobi principles, but we must bear in mind that they say that the FARDC—the DRC army—will secure the border between Congo and Rwanda. That is a small border, but the FARDC has disintegrated; it is no longer integrated. It was in theory an integrated force that included Nkunda's CNDP—National Congress for People's Defence—but the FARDC is currently coming apart. Essentially, there is no capacity. The DRC cannot simply say, "We sign up to the Nairobi principles," and then do that, because it does not have the capacity.

Several Members of various parties have frequently visited the eastern Congo in the past few years. It is striking that the general narrative is that capacity will be developed in the FARDC, which will enable the Congo to look after its own security. There is a democratically elected Government. Many of us went there to see the elections taking place. The fact that we are now going backwards is to a large degree a political matter, but to some degree it is down to lack of FARDC capacity.

This crisis will not be solved by the FARDC but, in the short term, by the international community. Once the crisis has passed, we must take advantage of the current window, so that we ensure that we follow through on the high profile that the Congo currently has. My interest is in the FARDC having the capacity to look after itself. At the moment, I am nervous about seeing troops in white vehicles and soft blue hats, although it may well be that they have hard hats now. For the benefit of colleagues who do not think about such things all the time, UN vehicles are white so that they can be seen, and generally speaking people do not want to be seen if they are in a war-like situation; they want to be in a different colour, such as green.

People might say that General Nkunda's troops are a raggedy bunch, but it is fairly well known that African troops are extremely resilient in the face of being shot at, because it happens a lot. Looking at Goma at the moment, it is perfectly realistic to imagine troops on the ground organising themselves properly in a defensive sense, but it is also perfectly possible to imagine Nkunda's troops infiltrating, walking around those defences and establishing a significant presence in Goma. The worst case scenario—Nkunda's taking Goma—would be disastrous for the UN and the DRC. It is particularly significant that the international community invested $250 million in the elections; it would be pretty reluctant to do so again. It looks like we are back where we started, and if the public believe that that is the case, it will be very difficult for us ever to commit ourselves to such a diplomatic and political effort in future.

My right hon. Friend the Member for Leeds, West mentioned the historical sweep, which I will deal with as briefly as possible. Demographics tell us that more than 5 million people have died in the region in the past 10 years as a consequence of constant war and conflict. This is a crisis on an enormous scale, and dealing with the current upsurge will make no difference in the long term; we must address the underlying details and issues that we know exist—politically and militarily—and start dealing with the situation for the long term. Otherwise, there will be another crisis in three or four months, and a bunch will come along together like London buses. As sure as eggs is eggs, that will happen.

Having listened to what has been said, I am not yet convinced that Alan Doss will be able to secure Goma and deal with the situation on the ground with the resources that he has, while the politics is dealt with elsewhere. I still think it really important to keep an open mind on that. On the politics, clearly, we need to convince the Rwandans and President Kagame—an extremely good man who has been a profoundly powerful force for good in the region, although he has natural reservations about what is going on the eastern Congo—to deal with the FDLR and Interahamwe issue more stringently. We also need to convince the Congolese Government to take up their responsibilities for the FARDC and to build it up with the assistance of the international community.

I hope that my final point does not sound too negative. My hon. Friend the Minister referred to an International Criminal Court sanction on one individual in the CNDP.

[Mr. Eric Joyce]

Ultimately, in the medium term we have to consider applying that lever to General Nkunda himself, if he does not play ball.

1.14 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): The whole House is indebted to the hon. Member for Falkirk (Mr. Joyce), not just for sharing his knowledge with us today but for the work that he does on the all-party parliamentary group. I share many of his concerns, and I hope that the Minister will take particular note of his comments. He, like the Minister, is right to say that ultimately, we need a political solution. It is a shared position on both sides of the House that, frankly, we do not believe that the British armed forces have the capacity—at least in the immediate future—to contribute in large number to any extra troops that go to eastern Congo.

I agree with the hon. Gentleman that MONUC needs some reinforcement. In our view, it was impossible for it to do the job asked of it prior to the current crisis—let alone in the light of the current crisis around Goma—without reinforcements. I think that he and I agree that the Government need to go a little further on this. It is not credible to argue that the objectives of defending Goma, maintaining the immediate ceasefire—such as it is—and disarming the Hutu militia in the medium term can be met without MONUC's being reinforced. I do not accept that we can deal with this just by redeploying the existing MONUC forces.

The Minister keeps saying that this is the largest UN deployment across the world, but Congo is the size of western Europe. He may say that most of the problem is in the Kivu region, but as the hon. Member for Falkirk reminded us, MONUC is having to deploy in a whole range of different areas in Congo—in the Ituru and in north DRC. So MONUC is really stretched, and I do not accept the Government's position that this can be dealt with simply by redeployment; there needs to be extra capacity. That is what Alan Doss believes and what the UN's own peacekeeper office has argued for.

The possibility of an EU force has been discussed in this House and elsewhere, and like the hon. Member for Falkirk, I am concerned that it is the British Government who have been talking that possibility down. It has been suggested that President Sarkozy and others in the EU have been keen to see this force, but it is the Brits who have been talking it off the table. I hope that that is not so, and that the Minister who replies will answer that point. What have the British Government been doing about the EU proposal, and why are they not championing that idea to ensure that our European partners provide some troops in this crisis when they are needed?

Jeremy Corbyn: Will the hon. Gentleman make it clear whether he is suggesting that an EU force replace the UN force, or that it be part of and supportive of a UN command in Congo?

Mr. Davey: I think that it would have to work with the UN force. Ideally, I would like MONUC to be reinforced and to have an EU force. An EU force of 1,500 troops has been mentioned; however, in 2003, under Operation Artemis, an EU force was very successful, having been deployed for only two months, in bringing to an end a vicious conflict. The quality and standard of EU forces is therefore significantly higher than that of the MONUC forces, and a short intervention could be very useful in backing up what MONUC has been trying to do.

However, it is a question not simply of the number of troops, but of their mandate, as the hon. Member for Mid-Norfolk (Mr. Simpson) discussed. There is some concern that MONUC's mandate is a little too restrictive, in the sense that it has to work with the Congolese army. One can understand the politics of why that is so, but as has been said, the Congolese army has proved ineffective and in some cases has actually undermined some of the work taking place. Its troops have been committing human rights abuses. The need for the mandate to be clarified, so that MONUC can operate independently of the Congolese army, is increasingly important.

The peace process is obviously critical, and I pay tribute to the Foreign Secretary for the work that he has done there. My concern regarding President Kabila is whether the international community is giving sufficient support to the necessary rebuilding of the Congolese army, and whether we are trying to persuade him to talk to General Nkunda. That might seem counter-intuitive to many in this House and elsewhere, but unless Nkunda is brought into the process, peace will not come as quickly as it needs to. The Minister talked in his opening remarks about involving Nkunda, but not in terms of direct talks with the Congolese Government, which are what Nkunda is seeking. Perhaps the Minister who responds to the debate can say whether we are trying to bring that about.

Finally, I want to revert to the points that I made during the urgent question asked earlier this week about the importance of the economic dimension. When I challenged the Minister about this last Tuesday, he talked about the importance of the extractive industry's transparency initiative, which is of course very important. But the truth is that very few British or western companies have been brought to book for the way in which they are, directly or indirectly, fuelling this conflict. It is good that DAS Air and Afrimex were found to be in breach of OECD guidelines this summer, but what actually happened to them? Very little happened to them. Companies from the US, Canada, Germany and Austria are not being brought to book. It is time that the illegal mineral trade, which is fuelling this conflict, was clamped down on and that some of these electronic consumer goods firms, which benefit from the minerals sourced from this region, were held to account. They need to be asked to explain their sourcing policies and procedures. I am sure that our constituents would think it wrong if their buying electronic consumer goods—mobile phones, computers and so on—helped to fuel the death and destruction of people in eastern Congo. They would not expect to be doing that, and I want the Minister to tell us what this Government are doing to prevent such a situation from occurring.

1.20 pm

Jeremy Corbyn (Islington, North) (Lab): I wish to put on record my thanks to the Leader of the House for choosing this subject for a topical debate—it is very important that we have this debate. Obviously, I have to keep within the 10-minute time limit, so I shall be as quick as I can.

The history of the Congo is one of the mad grab of its mineral-rich resources by generations of, mainly European, traders and mining companies, stretching right back to the 19th century, when it was King Leopold's personal fiefdom, through to the period when it was the Belgian Congo. Independence subsequently came, and with it the assassination of the then Prime Minister, Patrice Lumumba. After that came a series of dictatorships, and the rape of the Congo continued, with the theft of resources and the destruction of so many people's lives.

Many such people have made their homes in this country having sought exile from those conflicts. I echo the point made by the hon. Member for North Southwark and Bermondsey (Simon Hughes) about the need to have some regard, understanding and respect for the position that Congolese asylum seekers face in this country. We should not be sending back to the Congo people who will, unfortunately, face enormous danger when they return. I hope that the Minister will be able to say something about that.

A couple of days ago, a meeting of the Congolese diaspora was held upstairs in one of the Committee Rooms, and yesterday, the Women's International League for Peace and Freedom held an interesting meeting in Committee Room 10 on the "Voices of African Women". The women involved had suffered because of what is going on in the Congo at the present time. Like my hon. Friends the Members for Falkirk (Mr. Joyce) and for Amber Valley (Judy Mallaber), I was in Goma earlier this year and I was an election observer two years ago. During that election, there was a sense of hope and a feeling that the huge international investment that had been put into the electoral process would bring about some degree of political stability, the building of state institutions and some degree of long-term peace. Unfortunately, that has simply not happened in the case of the eastern Democratic Republic of the Congo.

The combination of the poverty of people in a mineral-rich area, the rape of women as a weapon of war by the various militia groups and, I am sorry to say, by the Congolese army, and the fear with which many people live is desperate to see. Indeed, the refugee camp that the three of us visited in April was overrun and burnt down only last week. The people we met there, 90 per cent. of whom were women trying to eke out an existence, have now fled to goodness knows where. They lack any food, clean water and medical supplies, and everything else, and are in a desperate situation.

I want to draw two factors to the House's attention, the first of which is the role played by minerals and the second of which is the politics of the region. The DRC is a very mineral-rich place: it has massive forestry reserves, and one hopes that the majority of those will be permanently protected; and it has almost every mineral that the world needs. At the moment, the world needs coltan, tin, copper, gold, diamonds and all kinds of minerals, and the DRC is rich in those. It is cursed with the riches of its minerals; the benefits of all those riches have not gone to the poorest people in that country—indeed, there should not be any poor people in the DRC. I do not blame people for buying mobile phones—everybody in this House has a mobile phone; the whole world is buying mobile phones. Coltan is an essential part of their manufacture, but we need to deal with some issues: the methods that are used to extract the coltan; the system that is used to export it; and the money made by mining companies, metal dealers and others, none of which reaches the poorest people in the region. I have received many witness statements of what is going on in the DRC at the present time.

The issues of mineral extraction and the extractive industries transparency agreement are very important—that agreement has simply not been followed by the Congolese Government. Indeed, there is evidence to suggest that elements of the Congolese army are controlling individual mines, as are other militia forces. The funding of the arms purchases—the funding of what goes on—comes directly from the extraction of minerals. Thus, in addition to the political work being done to try to bring about a settlement, tough questions need to be asked of every one of the big mining companies that end up processing some of the minerals that are extracted from the DRC, because, wittingly or unwittingly, those companies are fuelling the killing of millions of people. I use my words advisedly, because 5 million people have died in the DRC in the past 10 years as a result of this conflict, hundreds of thousands of people have been displaced and the capital city, Kinshasa, is overrun by refugees from the war in the east of the country.

My second point concerns the relationship with Rwanda. That country went through the horrors of genocide, and nobody can ever understate or underestimate its effects and horrors. Those of us who have been to Rwanda, seen the museum of the genocide and talked to people who went through it can only throw our hands up in horror at the things that happened to the people there. That is not to say that the Rwandan Government should not behave in a responsible way within the region.

I am holding a copy of the 2004 memorandum of understanding on the development partnership between the Government of the UK and the Government of the Republic of Rwanda. Article 11, to which the Rwandan Government signed up, states that they will

> "remain committed to playing a full part in international and regional initiatives to prevent and reduce intra and inter-country conflicts and establish peace in central Africa".

The Rwandan Government are receiving a huge amount of British aid; probably 40 to 50 per cent. of all Rwandan public expenditure comes from British taxpayers in one form or another. Therefore, the Rwandan Government need to be very open about the relationship between Rwanda and Nkunda and his forces within the region, and about the porous border that exists between both countries, which results not only in arms going through, but in large amounts of illicitly mined minerals getting out of the DRC.

In addition, a joint communiqué was agreed between the DRC and the Republic of Rwanda, clause 10 of which states:

> "The Government of the Republic of Rwanda commits to:
>
> (a) Take all necessary measures to seal its border to prevent the entry into or exit from its territory of members of any armed group, renegade militia leaders, Nkunda's group in particular, and prevent any form of support—military, material or human—being provided to any armed group in the DRC."

It goes on to say that information should be shared with the DRC and United Nations mission in the Democratic Republic of the Congo.

[Jeremy Corbyn]

Hon. Members have rightly raised the question of what happens to the MONUC forces at the present time. I have met many of the people, from different parts, who work within them. One such group came from Uruguay, but people from India and many other countries are working within those forces. We witnessed them working extremely well during a humanitarian crisis when a plane crashed at Goma airport. I am not in favour of sending another military force in under a separate command or separate relationship, because that is a recipe for chaos, rivalry and, probably, disaster. If MONUC requires more logistical support or more people on the ground to enforce peace, it should clearly get that support and the necessary aid that it requires. Rather than playing at being armchair generals, I ask the House to think of two things. People are now starving in the eastern DRC. Children are dying for lack of medicines. It is a humanitarian crisis; and we have a responsibility to provide all the aid, support and help that we can.

A military solution in DRC is not possible; the solution must be political. I am pleased that Lord Malloch-Brown is attending the conference taking place in Nairobi this weekend to try to promote a political dialogue between DRC and Rwanda and to encourage political developments in eastern Congo. So far, politics have failed and business has made a great deal of money while ordinary people have been dying. We must provide support, bring about a ceasefire and peace and, above all, promote a political settlement so that independence for Congo can become a reality, and people can live in a safe and secure environment and benefit from the natural riches of their own land.

1.30 pm

Tony Baldry (Banbury) (Con): No hon. Member would dissent from the assertion of the hon. Member for Islington, North (Jeremy Corbyn), the Minister and others that Congo needs a political solution. Neither would anyone dissent from the assertion that it is difficult for us to describe the scale of the individual tragedy—of families, women and children, many of whom have been forced to move many times, each time losing more of their possessions and becoming more destitute, thereby making their lives much more difficult. We all hope that a political solution can be found.

I shall focus the House's attention on the issue that I raised during the urgent question earlier this week. During the 1990s and the early part of the new millennium, the international community became increasingly enthusiastic about promulgating the concept of the responsibility to protect. We had seen the horrors of the Rwandan genocide and we had seen Kosovo, where the United Nations had failed to act—Kosovo was dealt with by a coalition of the willing. As we entered the new millennium, there was a desire that we should never find ourselves in such a position again. That was described well by Tony Blair, the then Prime Minister, at the 2001 Labour party conference, when he said that if Rwanda happened again we would not walk away as the outside world had done many times before. He insisted that the international community had a "moral duty" to provide military and humanitarian assistance to Africa whenever it was needed.

In the same year, Kofi Annan, then Secretary-General of the UN, said in his Nobel lecture:

"The sovereignty of states must no longer be used as a shield for gross violations of human rights."

That led, in 2005, to the UN adopting a long resolution containing provisions on the "Responsibility to protect populations from genocide, war crimes, ethnic cleansing and crimes against humanity". It makes it clear that:

"The international community, through the United Nations, also has the responsibility to use appropriate diplomatic, humanitarian and other peaceful means, in accordance with Chapters VI and VIII of the Charter of the United Nations, to help protect populations from genocide, war crimes, ethnic cleansing and crimes against humanity."

In January, the current Secretary-General, Ban Ki-moon, made himself clear:

"I am fully committed to keeping the momentum that you the leaders have made at the 2005 World Summit and will spare no effort to operationalise the responsibility to protect."

In reality, however, the international community no longer appears able to deliver on the responsibility to protect.

I shall focus on four countries: Sierra Leone, Sudan, Congo and Zimbabwe. In Sierra Leone, the international community intervened very effectively. Led by UK troops, it took on the west side boys and restored peace to Freetown, and thus to Sierra Leone. That was followed by a very successful UN international war crimes tribunal, which for the first time established that enlisting child soldiers is a war crime and that a Head of State has no sovereign immunity from charges of war crimes. Charles Taylor is now in The Hague being tried for war crimes in Sierra Leone. That intervention was fantastically successful. However, that was partly because Sierra Leone is comparatively small and because the UK had the lift capacity and ability to enforce its military will.

By the time we got to Darfur, however, countries with a sizeable lift capacity—in particular, the United Kingdom and the United States—were engaged in Iraq and Afghanistan, and there just were not the countries with the kind of military lift capacity needed to enter Darfur. So we had a kind of dance where, first, the African Union said that it would take a lead. It was clear to those of us on the International Development Committee who went to Darfur that the AU was doing the best it could with scant resources, but that it was totally incapable of doing anything other than monitor the situation. Then it was decided to have a hybrid institution of AU and UN troops, but that has not managed to do much more because, again, there are no players with the kind of lift capacity and military co-ordination able to enforce their will in Darfur.

That has come through in this debate. The hon. Member for Falkirk (Mr. Joyce) rationally said that if rebel forces really wanted to penetrate Goma, we would require a large number of troops on the ground to prevent it from happening. Anyone with any military experience realises that. However, we must also acknowledge that the Secretary-General is not able to call upon the necessary forces. To those of us who took part in the Westminster Hall debate on Afghanistan the other day, it was quite clear that much of NATO's commitment for the foreseeable future will be tied up in Afghanistan. Indeed, if anything, before enjoining the European

Union to get more involved in other areas, we should enjoin EU and NATO colleagues to participate more in the UN peacekeeping mission in Afghanistan.

The UN and the international community need to give serious consideration to how the Secretary-General can access the sort of military capacity needed on such occasions to ensure that the words "responsibility to protect" are not empty or meaningless again. That will require countries outside the EU to make a much greater contribution. After all, a number of members, even in the Security Council, make no significant contribution to peacekeeping or peace-enforcing anywhere in the world. The responsibility to protect cannot be supported only by a coalition of the willing—it is far too important. If we say that there is a responsibility to protect, and if we give the impression that the international community will come to the rescue of those suffering terribly from humanitarian and war crimes, but we do not deliver, we will be betraying those people.

In Congo and elsewhere, we must ensure that the international community and the Secretary-General have the capacity to deliver on the responsibility to protect. We all hope and pray that a political solution will be found to Congo's immediate problems. However, with the major military world players, such as the UK and the US—with all their lift capacity—occupied in Iraq, Afghanistan and elsewhere, the resources available to the Secretary-General are pretty thin. We have to face up to that, and to the reality that we will need competent and co-ordinated military feet on the ground to protect civilian populations. At the moment, we are not delivering even in Darfur, so we may well be misleading ourselves if we pretend that we can deliver in other areas.

I hope that Ministers will reflect, with colleagues in the UN Security Council and General Assembly, on how we can deliver on the promise that is the responsibility to protect.

1.40 pm

Judy Mallaber (Amber Valley) (Lab): The hon. Member for Banbury (Tony Baldry) made a very interesting and important speech. I think that hon. Members of all parties feel despair about our inability to protect the people of the Congo, and elsewhere. That is especially true of the many of us who have visited the area and seen at first hand the outcome of previous conflicts, which are now flaring up again.

As has been noted, I visited one of the camps near Goma earlier this year. We heard from many women about what had happened to them, and about the mass rape and violence that had taken place. I was particularly struck by the two teenage girls who told me that they were in despair at their inability to get an education because they could not leave the camp for fear of being raped or attacked. Now I am in despair myself, wondering what on earth has happened to those two girls and all the others in the camp. That brings home the fact that we seem to be incapable of making progress in the crisis and of protecting those people.

My hon. Friend the Member for Islington, North (Jeremy Corbyn) said that yesterday he chaired a meeting of the Women's International League for Peace and Freedom. It involved women from a number of African countries, and I specifically asked the women who had come over from the Congo what points they would like to be made in today's debate. I wanted to know what help could be given to try and help end the conflict in eastern Congo, and what could be done to stop the horrendous sexual and other violence against women.

On the second issue, I was told very clearly that securing peace was the necessary prerequisite for stopping the sexual violence, which began when the conflict began and which was very closely associated with it. It was said earlier that rape was being used as a weapon of war, and that was brought home to me very clearly, but the women also talked about impunity. They said that people were simply not being brought to justice, and I urge my hon. Friend the Minister to ensure that the different Government Departments look seriously at the report prepared by the all-party group on the great lakes with the Swedish Foundation For Human Rights. It deals with the question of how to address impunity for sexual crimes in the DRC, and contains recommendations for the Congolese Government and the international community. Lord Mance from the other place, who is very well respected and knowledgeable about these matters, went to the area on our behalf, and I hope that the Government will take up the report's recommendations.

In response to my question about how we can end the conflict, the Congolese women not surprisingly spoke about the importance of getting a proper inter-communal dialogue between Tutsis and Hutus. When pressed, they placed the blame on the Rwandan Government, and claimed that the UK Government had links with Rwanda. There is always the feeling that we have favoured Rwanda and that we should put pressure on that Government to meet their responsibilities.

However, I want to emphasise the points made by my hon. Friends the Members for Islington, North and for Falkirk (Mr. Joyce), as well as by certain Opposition Members, about the need for a political solution that requires action by both Rwanda and the Congolese Government. Both sides need to meet the commitments that they have made and play their part in bringing the conflict to an end.

Although the Congolese women who spoke yesterday about the position in Rwanda and the responsibility of the Rwandan Government did not make any comment about any particular group in the Congo, I was reminded of the strong anti-Tutsi rhetoric that we heard from some Congolese parliamentarians during our visit in April. The Congolese Government have a responsibility to make a statement against such rhetoric, as it clearly does not help matters.

My hon. Friend the Member for Islington, North has spelt out the need for Rwanda to do all that it can to meet its obligations under the agreements. He also mentioned the allegations that have been made about the direct support that that Government have given to Nkunda. The evidence is not entirely clear, but we know that he has been able to recruit in Rwanda. The memorandum that was referred to previously shows how the aid that we give to Rwanda is dependent on that Government meeting their responsibility to seek to limit conflict. If nothing else, they have influence over Nkunda, as it appears that they managed to limit his advance on Goma.

The Rwandan Government also have a responsibility to use political means to get the FDLR forces to end their insurgency. Obviously, they cannot be expected to

[Judy Mallaber]

give political space to those who were directly involved in the genocide, but earlier this year we heard about a supposed list of 7,000 people who could not be received back into Rwanda. That needs to be looked at again, as it has been claimed that many of the people on the list were far too young to be involved. Some of the Congolese women at the meeting yesterday said that not all the Hutus were "genocidaires", and that point needs to be made clear. I hope that the Government use their influence to ensure that all those points are raised in the discussions with Rwanda.

Of course, the Congolese Government also have a huge responsibility to stop using rhetoric against groups in the community. My hon. Friend the Member for Falkirk has spoken about the incapacity of the Congolese army, but it has also been suggested that it is connected with various forces.

The Crisis States Research Centre of the London School of Economics has just issued a press release stating that the FDLR remains at the heart of the problem. The release also accuses the international community of failing to take the "bull by the horns", and discusses how the Kabila Government have an on-off tactical alliance with FDLR elements. It is clear that the Congolese have a huge responsibility to play their part and meet their commitment to go ahead with the agreements and to avoid giving support to any particular faction.

These are horrendously difficult problems, and we have not made a lot of progress with them. When talking about these political issues, it is easy to say that they are about power and how certain forces want to protect what is theirs, but as has been noted it is also very much connected to money—where it comes from and who retains control of resources in the DRC.

As the hon. Member for Banbury said, it is our responsibility to seek to protect and do what we can. It is not for the international community to act as neo-colonisers, and the responsibility for resolving these problems is not ours alone, as the Governments and people in the area also have a huge responsibility in that respect. However, I hope that the Minister winding up the debate will be able to deal with some of the questions that have been raised about what part we can play. We need to help and pressure the Governments in the area to seek an end to the conflict, and also use our influence to get them to act to halt the appalling things that are going on at the moment. People can see them on their TV screens, but those of us who have visited the area have seen them for ourselves. I therefore ask the Minister to deal with some of the questions that have been raised about the political situation, and about the use of sexual violence against women.

1.48 pm

Hugh Bayley (City of York) (Lab): It is clear to me that there will be no end to the violence in the eastern Congo until the root causes are addressed. I strongly welcome the high-profile diplomatic stand that the Foreign Secretary has taken, and the humanitarian response made by the Department for International Development, but we will have many more debates like today's in this House unless the root causes of the problem are addressed. There are many root causes, but I want to talk about just two of them—first, the legacy of the Rwandan genocide and, secondly, the exploitation of mineral wealth by belligerents in the conflict and the markets that they find for the minerals with multinational companies.

It is useful to think of the Rwanda genocide as an unfinished war. It is not a separate conflict that is taking place across the border; the conflict is an echo of the genocide. The Hutus across the border include some of the leaders responsible for the genocide. As my hon. Friend the Member for Amber Valley (Judy Mallaber) said, not all Hutus were involved with the genocide, but they have been there a long time now, under the leadership of the FDLR, and they need to be disarmed, immobilised and reintegrated into society. The leaders need to face trial, but others should be resettled back in Rwanda. One understands Rwanda's reluctance to have them back, but the conflict will not end if the list of 7,000 people not allowed to return to that country remains in existence; if it does, those people will stay across the border as part of insurgent and guerrilla gangs. There will be no long-term solution and peace for Hutus or Tutsis, and no long-term peace in the region.

Laurent Nkunda's CNDP is, in a way, a response to the failure of the Congolese and Rwandan Governments, and indeed the UN, to disarm, demobilise and resettle the belligerents in the eastern Congo. The situation is a bit like that relating to vigilante bands. Anywhere in the world, if the state with responsibility does not provide security, people take the law into their own hands, and vigilante bands come into being. In a sense, that is what has happened. That is not an excuse or a justification for Laurent Nkunda's actions, which are illegal. His CNDP also needs to be disarmed and demobilised, and its members resettled.

President Kagame clearly has influence with Laurent Nkunda, and he should use that influence in the most forceful way possible. Our aid agreement with Rwanda is based on a 10-year memorandum of understanding, which commits high volumes of British aid to Rwanda in return for a commitment that Rwanda will support regional peace and stability. We ought to look to President Kagame to honour that as part of our bilateral relationship.

I should like to add a word about what my hon. Friend the Member for Amber Valley said about violence against women. Rape is a horrendous crime, but it is not just rape that we are talking about. When I was with the International Development Committee in the eastern Congo a couple of years ago, we visited the Panzi hospital. The sort of genital violence that soldiers did to women just defies description, certainly in such a debate. That violence, inflicted on innocent civilians, will continue year after year unless the root causes of the conflict are addressed.

I welcome the Government's commitment to send a European Union force if necessary. I particularly welcome the official Opposition's support for that. When I intervened on the hon. Member for Mid-Norfolk (Mr. Simpson), I made that point. It is extremely welcome that the Conservative party has signalled support for an EU force, if it is necessary. However, I agree with my hon. Friend the Member for Islington, North (Jeremy Corbyn) that it would be far preferable to provide the security that is needed through the force of the United Nations mission in the Democratic Republic of the Congo. As the hon. Member for Kingston and Surbiton (Mr. Davey)

told us, Alan Doss requested additional troops in October. I do not think that the UK is in a position to provide those troops, but we are in a position to fund the provision of those troops.

The UK should also look at what technical assistance we could provide. When I met MONUC commanders and soldiers during my visit to the eastern Congo, it was clear to me that it is a basic, boots-on-the-ground army; it does not have the sophisticated command and control and intelligence systems that a western army has. Help could be provided by the UK and other European countries in that regard. I should also like more UK support for civilian posts in MONUC. It has many vacant posts, and there is more that we could do to provide the civilian support that it needs.

Finally, as others have said, the Congo's natural resources have been plundered by despots over decades. That is a principal cause of this resource-rich country's poverty and instability. The trade in conflict diamonds has been curbed significantly by the Kimberley process, but less has been done on the exploitation of other minerals. When my hon. Friend the Under-Secretary responds to the debate, I ask him to tell us more about what the Government can do, by using the extractive industries transparency initiative, and by toughening up the OECD guidelines mechanism, to stop the purchase of minerals from the Congo continuing to fuel the conflict.

1.56 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Ivan Lewis): I think that all Members would agree that today's debate is welcome and timely. Sadly, the circumstances that have led to this debate are not. The fighting in the past few weeks has once again brought the world's attention to one of the most intractable conflicts in Africa, and highlighted the human cost. What happens in the Democratic Republic of the Congo matters not only because its 60 million people deserve peace and a better future, but because that vast country with nine neighbours is vital to the stability of the whole of central Africa. The DRC is one of the frontiers of development, where the battle to achieve the millennium development goals will be won or lost. At least 75 per cent. of the DRC's population lives in extreme poverty by the $1-a-day standard. Fewer than half of the DRC's children finish primary school. As many as 1.6 million people are displaced from their homes, more than 900,000 of them in north Kivu alone.

That is not what the people of the country want. The successful elections in 2006 were a clear demonstration of the people's desire for peace, and of their expectations for change. That pressure is, in itself, important. The situation in the past few weeks and months in the Kivus are a betrayal of what the people of that country truly desire. We have played a leading role in the international political and humanitarian response. Even before the crisis, the UK provided £30 million to the humanitarian pooled fund for priority responses by non-governmental organisations and UN agencies, plus £7 million to the Red Cross and other NGOs.

We have moved quickly to increase our response. We have provided an additional £5 million, which the Secretary of State for International Development announced only last week. Some of these funds have already been used to support UNICEF, whose stocks are low. Two aid flights from the UK have arrived in Entebbe today, carrying plastic sheeting, 18,000 blankets, 24,000 buckets and 1 million water purification tablets. We are arranging for those essential items to be transported as quickly as possible to Goma. I would like to put it on record that we need to look at the situation at Goma airport, which is a long-standing concern. It is also important to say that today we approved £2 million for the World Food Programme to meet immediate food needs.

I do not have very much time to respond to the sensible points that have been made, but let me quickly say, on MONUC, that there is to be an urgent review by the UN, and there will be a report to the Security Council very soon on the request for additional forces. At this stage, no EU country has made any request for an EU force to be sent—there was a discussion about that on Monday—so perhaps there has been some misunderstanding in this debate.

I echo the points made by hon. Members about a political solution: in the end, there has to be such a solution. At the conference tomorrow, it is extremely important that there be appropriate, responsible and urgent engagement by both the Congolese and Rwandan Governments on fulfilling their responsibilities in that respect. My noble Friend Lord Malloch-Brown will be there, and will play an active role in the discussions. I am sure that Members on both sides of the House will welcome the proactive contribution that our Foreign Secretary has made. He went with the French Foreign Minister to the affected area as a matter of urgency, to see what we could do.

I share hon. Members' concerns about the exploitation of mineral resources. We need to do more on that issue, and I shall certainly look at what more we can do.

On the question of violence against women, it is important to note that this year the American Secretary of State, Condoleezza Rice, led a debate about UN Security Council resolution 1820 on women, peace and security, in which she focused on the responsibility to protect—a point made by the hon. Member for Banbury (Tony Baldry).

The message from this House is that there is complete unity. We want the Governments in the region to fulfil their responsibilities and we want an immediate cessation of violence so that we can get the humanitarian aid to where it needs to go and begin a longer-term process of peace and stability in the area.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The humanitarian aid that the Minister has announced and consolidated today is highly welcome, but does he agree that it has to be backed up by a political process? If the political process does not move forward, will he and the Foreign and Commonwealth Office work very closely with the new American Administration, because, as my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) said, by passing the Act in 2006, President-elect Obama has already shown his commitment to progress towards a solution in the DRC?

Mr. Lewis: I agree with the hon. Gentleman. Indeed, his hon. Friend the hon. Member for Mid-Norfolk (Mr. Simpson) made a similar point. With the election of President Obama this week, there is a major opportunity not only for serious and proactive engagement on this

[Mr. Ivan Lewis]

issue, but in terms of our responsibilities to the developing world more generally. A new American Administration give us new opportunities in the US's potential leadership role with regard to the developing world, so it is important that, at the earliest stage, we begin discussions with the incoming Administration. We obviously want to form relationships with the people who will play key leadership roles in President-elect Obama's Government, and we intend to begin those discussions as quickly as possible.

Hon. Members will agree that, first, however, we must make it clear to all parties that there can be no excuses—no obstacles to humanitarian aid reaching the people who need it. We want an immediate cessation of violence, and we want Governments who have the capacity to influence that cessation to use every means available to do so. Having achieved that, we must get to work on a long-term political settlement. As my hon. Friend the Member for City of York (Hugh Bayley) said, we could then come to this House to debate not the flaring-up of violence, but a long-term settlement that is in the interests of that country.

Question put and agreed to.

Resolved,

That this House has considered the matter of the political and humanitarian situation in the Democratic Republic of Congo.

Fighting Crime (Public Engagement)

2.3 pm

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Vernon Coaker): I beg to move,

That this House has considered the matter of public engagement in fighting crime.

I am pleased to have the opportunity to open this debate on such an important subject. Over the past 10 years we have seen real progress in tackling crime—the British crime survey shows that overall crime is down 48 per cent. since 1995, and our streets are safer as a result—but crime is still a major concern for the public. The public are essential to tackling crime, as is confidence in the police and other criminal justice agencies. Louise Casey was commissioned by the Prime Minister, the Home Secretary and others to carry out a review of the public's experience of crime and how we can support them in the fight against it. The review findings show that 67 per cent. of people would not know whom to complain to if they were not happy with the way their local area was being policed. They also show that the public want more say on policing their neighbourhoods, and that 68 per cent. of people agree that someone in their local community should hold the police to account.

We listened to the public, who told us that they want a criminal justice system that meets the needs of victims. They also want to know about what happens to those who have committed a crime—in the review, 90 per cent. of people we asked said that they thought that they were not told enough about what happens to the perpetrators of crime when they are convicted. Notwithstanding the excellent progress that the police and other partners have made, we cannot ignore what the public tell us: bold leadership and action are needed. We are on the side of the public, but the findings show that the public want us to go even further.

In July, we published the policing Green Paper, "From the Neighbourhood to the National: Policing Our Communities Together", which will put in place radical reforms to transform the relationship between the Government, the police and the public to provide a more consistent, visible and accessible service that is responsive, meets public needs and expectations, deals with local priorities and keeps people informed. A key commitment in the Green Paper was the policing pledge, which for the first time will give the public a clear minimum standard of service to which they are entitled. The pledge will deliver what the public want from the police, and, for the first time, the public will know the minimum standard of service that they will receive. The public will be told how they can contact the police, what response to expect, and how they will be kept informed if they become victims of crime. It commits to high-visibility neighbourhood policing teams and monthly public meetings, so that neighbourhoods can hold the police to account.

Mr. Philip Hollobone (Kettering) (Con): One of the best ways in which police forces can become more visible is by recruiting and attracting special constables, but since this Government came to office the number of specials has, according to the Home Office's own figures, fallen from 19,874 to 14,547. In my policing area in

Northamptonshire, their numbers are down from 316 to 180. What is the Home Office doing to reverse that trend?

Mr. Coaker: I shall come on to that subject later in my remarks, but I should say that I went out with the specials in Nottingham last Friday as part of national specials week, which was not only about trying to encourage more people to become specials, but about highlighting the excellent work that they do. I am sure that the hon. Member for Monmouth (David T.C. Davies), who is sat next to the hon. Member for Kettering (Mr. Hollobone), will know even better than many of us the excellent work that specials do.

I have talked to my local police, as I am sure the hon. Gentleman has in Northamptonshire, and they say to me that, although they may not have on the books as many specials as they used to, they are far more active now. He should talk to the chief constable of Northamptonshire, as I speak to chief constables throughout the country. They tell me that the work that the specials do is greater now than it ever has been, and that more specials are involved in neighbourhood policing teams and in the various tasks that we would expect them to do. Of course it is important that we have more and more specials, but I want to see them not just as a number on a piece of paper, but as active police officers in the best sense of the word. Just to reinforce the point, if the hon. Gentleman looks into the issue, he will find that the number of specials who are active and out and about is greater now than it has been. However, we will always try to recruit more specials and get more involved.

Tom Brake (Carshalton and Wallington) (LD): Does the Minister agree that another way of supporting the police locally is through effective neighbourhood watch schemes? May I draw to his attention the excellent work of Heather Shaw, the London borough of Sutton's neighbourhood watch co-ordinator, and the concerns that she has raised with me about the level of support, in terms of information and literature, that is provided from the centre to neighbourhood watches throughout the country? Will he look into that matter?

Mr. Coaker: The hon. Gentleman is perfectly right to draw attention to the excellent work that neighbourhood watches do in his constituency and throughout the country, acting as the eyes and ears of the police. It involves active citizenship in the best sense of the word. There is always an issue about information and support, and we will always consider representations from local neighbourhood watches about how we can improve the websites that we operate and the information that we put out. If there is a problem in respect of a neighbourhood watch in his constituency, he can write to me and I shall look into it for him.

Paul Holmes (Chesterfield) (LD): The Minister is generous in giving way three times in rapid succession. I, too, went out with the specials—in Chesterfield last Friday night as part of national specials week. I spent seven hours on the beat with Section Officer Mick Bagshaw and a number of other specials. That night, 11 specials were on duty, and that doubled the police presence in Chesterfield—it was Halloween, and a lot more low-level mischief calls and so on were expected. The specials were very effective.

However, because Derbyshire is the fourth worst funded police authority in the country, it cannot afford enough vehicles to ensure that the specials have the mobility that vehicles provide. The specials do a lot of beat work as well, of course, but the shortage of vehicles is a big problem. The Government themselves say that Derbyshire needs £5 million more a year, but will not give it the money. Can that problem not be resolved, so that more specials, more police community support officers, which whom I shall be going out on the beat shortly, and more regular officers—I have already been out on the beat with some of them—get back on patrol?

Mr. Coaker: If I could find the figures in my folder quickly enough, I would be able to demonstrate to the hon. Gentleman the significant increase in funding to Derbyshire police and the historic policing levels in Derbyshire and across the country in terms of police officers, PCSOs—which did not exist a few years ago—and police staff.

The hon. Gentleman claims that a lack of vehicles has affected the operational capacity of specials; no doubt, he will take the matter up with the chief constable. Let me just say that I agree very much with him about the important role played by specials. Having 11 specials in Chesterfield is an excellent tribute to the specials in his area. The fact that many Members of Parliament have been out with specials as part of national specials week shows the importance that MPs on both sides of the House attach to specials' work in communities up and down the country.

At local level, the pledge declares that the police will be with the public within an hour in response to calls about agreed neighbourhood priorities for which police attendance is required. The pledge gives people the right to meet their local team and others in the community at least once a month to agree priorities and action to tackle them. It also says that neighbourhood policing teams will spend at least 80 per cent. of their time visibly working on behalf of the public in their neighbourhood. Essex police force is the first in the country to meet fully the national standards and commitments in the policing pledge, but by the end of the year all 43 police forces will be delivering the policing pledge for their communities.

Keith Vaz (Leicester, East) (Lab): I welcome the Minister to his new position at the Home Office. On the policing pledge, there is concern about how the police inform victims about the progress of cases. That is a real worry for people. Ian Johnston recently said that 40 per cent. of the public felt that, following dealings with the police, they were less likely to have confidence in them. Will the Minister assure the House that the pledge will include communication with the public about their cases, which is a matter of real concern?

Mr. Coaker: I thank my right hon. Friend for his warm welcome, for which I am particularly grateful as he is Chairman of the Home Affairs Committee. He makes an important point. Communication will be a hugely important part of the pledge. As I have said, one of the things that undermines the confidence of local communities is their not knowing what has happened in relation to a crime that they have been the victim of. It is

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also important to remember that the pledge is not only national; there will also be a local aspect to it, negotiated at local level.

I have always felt that that one issue can undermine policing in an area. Sometimes there is a problem with a young person or a serial offender and their victims complain to the police. A few weeks later, people meet the victims and ask them how things are and they say, "Oh, it's a lot better. By the way, what's happened to so and so?" They do not know that the offender has been arrested, been charged and is in custody. Although they end up being informed of that, knowing that something has been done about somebody who has caused problems is reassuring for the victim and the community. My right hon. Friend has raised a real issue, and we will make sure that it plays an important part in the work that we are doing.

To help to ensure that the police are accountable for their pledge, we propose that crime and policing representatives be elected by each community to chair the district's crime and disorder reduction partnership and sit on the police authority. They will be one of the main voices of the community and provide a much needed point of contact for those around them. More on that will be announced in due course.

The Home Secretary recently announced an investment of £5 million to establish a community crime fighter programme to help local people to tackle crime in their neighbourhood. By the end of next year, more than 3,600 local people will be trained as community crime fighters—that represents one person for each of the neighbourhood policing teams. The Home Secretary also announced this week the 60 pioneer areas, covering almost 15 million people—more than one in four of the population of England and Wales—that have committed to work with the Government and push their local services further and faster, to get more effectively on their local public's side in the fight against crime, thus taking forward some of the key recommendations in Louise Casey's review.

The public want the police to be visible in their local streets. There are 13,500 police sergeants and constables supported by 16,000 police community support officers, the specials and police staff. We now have a network of teams and officers dedicated to their local communities. To answer specifically the point made by the hon. Member for Kettering, I should say that we will have 6,000 new special constables over the next three years, and that we are also investing £2.25 million that will see 20,000 special constables working alongside police community support officers.

As I said, last Friday—Halloween evening—I was out with special constables in my area. It was particularly reassuring to see how they were integrated with the neighbourhood policing team, rather than being a bolt-on or add-on service that just turned up. They were an integral part of what was happening to tackle crime in the area. I am sure that the Members who have mentioned specials and been out with them will have seen that for themselves in their own areas. It would be remiss of me not to thank the specials for the sometimes dangerous work that they do, and I also thank all our police officers, PCSOs and police staff very publicly for what they do on our behalf.

This year, more than 400 local agencies took part in "Not in my neighbourhood" week, which provides local partners—including crime and disorder reduction partnerships, local police, neighbourhood watch schemes and community organisations—with a national banner under which they can publicise the work being done to tackle crime and antisocial behaviour. However, successful neighbourhood policing is not about telling the police what needs to be done and then sitting back on our laurels. We need to establish dialogue. The neighbourhood policing approach needs people to get involved and to work with the police and other local agencies in taking back some of the ground lost to antisocial behaviour and, where necessary, reclaiming the streets, parks, buses and other public spaces for the law-abiding majority. I am pleased that that is happening in communities throughout England and Wales.

Mr. John Baron (Billericay) (Con): Does the Minister understand that if we are to encourage greater public engagement in helping to fight crime, the public must have confidence that when criminals are caught they will be appropriately dealt with? There is growing disillusionment with the Government's early release scheme, which, since it was introduced last year, has allowed some 800 crimes to be committed by people who should have been in prison. What are the Government going to do to put that right?

Mr. Coaker: We are trying to build confidence in the criminal justice system. People will often debate, often without the full facts, what sentences should be given for crimes committed in a particular area. I am told—although this is where neighbourhood policing partnerships provide reassurance—that one of the things that most undermines the public's confidence in the police, in the criminal justice system and in Governments is their feeling that there is not a proper chance of people being apprehended for a crime. Of course we want people who commit crimes to be properly dealt with by the courts, and by and large they are. When people feel that police are working in their area and dealing with problems that are brought to their attention, their confidence will rise. No doubt that is what is happening in the hon. Gentleman's constituency and in constituencies around the country.

Let me give one or two good examples of the things that are happening in communities. A local co-ordinator for the neighbourhood watch group on an estate in the Wirral assisted the neighbourhood policing team to gather intelligence on a family in her road who were the main cause of antisocial behaviour in the area. The road was highlighted at a tasking and co-ordinating meeting as the source of more than 50 per cent. of the police's antisocial behaviour calls. The community problem-solving, multi-agency approach has reduced these calls to zero, reducing the fear of crime and antisocial behaviour. That is a powerful example of what can be achieved. I know that Members on both sides of the House will have their own examples of what has happened in their constituencies when people have worked together to overcome problems.

There is a lot of debate about us as a society doing the "right thing", and what that is. There are many ways for people to do this—not necessarily putting themselves in harm's way, but taking steps such as engaging with

the neighbourhood policing team, reporting a crime, or even just dialling 999 and not turning a blind eye. Public engagement is not just about seeking people's views on what we are doing, or even their support, although of course both those things are important. We want to involve the public directly in what we are trying to achieve, delivering community-led solutions to matters of concern.

That can be seen clearly in many aspects of our work, including on preventing violent extremism—one of the most important challenges that the Government are facing. A key element of our counter-terrorism strategy aims to stop people becoming or supporting terrorists or violent extremists in the first place and to draw back those who are already involved. We will support local leaders who want to stand up to violent extremism and racism, and increase their capacity to shape the future of their communities.

I am sure that many Members are concerned about violent crime in their constituencies. We are determined to tackle that problem. We know that there are areas that have greater problems with knives, and that is why we are targeting 10 police force areas, just as we did four areas last year, to bring down gun and gang crime, which has since decreased by more than 50 per cent. In those areas, we did what the public asked us to do. They wanted to see tough enforcement of the law and to ensure that perpetrators or those who sought to use violence in their communities were dealt with robustly by the police. However, they also told us that as well as the robust action that had to lead the work that we were doing, it was important to try to prevent violence happening in the first place by diverting young people in particular away from a life of crime. By listening to the public, we identified how we would tackle those problems.

We spent a long time talking not only to the police and to local authorities but to faith organisations, voluntary organisations and residents' associations about what we should be doing as a Government to try to tackle these issues. Part of the problem in these debates is that one can sometimes be seen as somebody who talks about the need for tough enforcement or, on the other hand, as somebody who believes only in prevention and diversion, whereas in reality, as we all know, we have to bring all those things together. The public told us not to engage in sterile debates about who is tougher than whom, because although tough enforcement is necessary we must also ensure that we do all the other things that are necessary.

Angela Watkinson (Upminster) (Con): The Minister is describing the crime profile in various areas, but there are enormous variations. Does he agree that borough commanders and chief constables know the crime profile of their own area better than anyone because they have local knowledge, and that they should have control over their personnel budgets in deciding on, for example, the proportion of police community support officers and fully trained constables who have more policing power?

Mr. Coaker: We want chief constables to be operationally independent. Just over a year ago, we removed the ring-fencing fom some of the money that was going to the police so that chief constables would have more discretion in how they spend it and how they allocate their budgets. That is important.

If we are talking about operational independence, the Home Office will have a single confidence target, under which people will be asked whether they think the police and their partners are effective in reducing crime in their area. That is the target we need and the way in which we can see whether chief constables and others are doing an effective job in their area. It will allow chief constables to have the operational independence that they need to identify the crime profile in their area and to task their officers, police staff and PCSOs accordingly. They will then be judged on the single target of whether people in their area believe that the police have been effective in reducing crime and have confidence in what they are doing about it. I agree with the hon. Lady and I hope that some of the things we are doing will deal with her point.

Jeremy Wright (Rugby and Kenilworth) (Con): I agree with the Minister that one of the best ways of dealing with crime is to intervene early, before any unlawful behaviour has even been thought about. In the responses that the public have given, has he found that people raised the subject of the Criminal Records Bureau and the complications that face those who wish to work in a voluntary capacity to assist in preventing unlawful behaviour before it is even thought about? If they have said that, can he update us on the progress that is being made to ensure that the process is simpler and not repetitive?

Mr. Coaker: We are trying to ensure that all of our systems are effective and simple. We keep the matter of the Criminal Records Bureau under review, and we will act as necessary when it is appropriate to do so.

Investment in the youth of the UK is an investment in our future—something with which I know we all agree. We are allocating money to help to prevent young people from becoming involved in crime and antisocial behaviour. We will tackle youth crime through early intervention—a point just made by the hon. Gentleman—non-negotiable support and tough enforcement. This summer, that commitment was proved by the publication of the youth crime action plan and the youth alcohol action plan. We are trying to reach young people by using new technologies. The youth knife crime campaign recently allowed us to include an "It Doesn't Have To Happen" page on Bebo, the social networking site which is the hub of the campaign. To date, it has 6,143 friends, and has received more than 66,000 visits and 1,320 wall posts. It also uses two viral adverts showing the physical and emotional consequences of carrying a knife. We developed those campaigns in co-operation with young people.

We talk about the involvement of the public in tackling crime, and the involvement of young people is an important part of that. The Government need to reflect—as all of us do, sometimes—on the fact that young people have asked us not to communicate with them in the way that we have always communicated with the public. We need to think about the new ways of communicating, such as the internet, and the use of radio stations, TV advertising and digital communication. Those methods will get to young people in a way that more traditional ways of communicating do not. That is what we tried to do through the campaign that I mentioned.

James Brokenshire (Hornchurch) (Con): The Minister rightly identified the need to have greater co-ordination and communication with young people, which I entirely

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endorse, but does he accept that very graphic TV and radio adverts might heighten the risk for young people? They may have a detrimental effect if they are wrongly timed and are not backed up with the reassurance that comes from the backing of a strong police response. By advertising in such a way, we could encourage fear, leading to more people carrying weapons on the street.

Mr. Coaker: Of course we need a tough enforcement approach—I made that point earlier. Whatever else we do, we need tough police activity to deal with violent and dangerous crime. It is not often that I totally disagree with the hon. Gentleman, but if I have understood him correctly, I do in this instance. We used graphic images in the advertising because young people themselves told us that if we wanted to have an impact, we needed to show people the consequences of crime involving knives, guns or whatever. We need to demonstrate to young people the consequences of their actions. The evaluations that we conducted and the responses that we have received so far have been positive. Those positive reactions are not only from young people, but from parents and others who believe that, far from frightening young people or heightening awareness, thus almost encouraging such crime, the advertising does the opposite and has a good impact in discouraging people from violent crimes, especially the use of knives.

Mr. Graham Stuart (Beverley and Holderness) (Con): Will the Minister join me in congratulating Inspector Andy Woodhead, who polices the Withernsea area of my constituency? I did a survey of the town and the No. 1 concern that emerged was antisocial behaviour, especially the impact of drug dealing. I met Inspector Woodhead, who agreed to review the procedures that the police were following. We made a joint call to local people to provide information, and he and his team have made several arrests and removed at least two drug dealers from the streets of Withernsea. That is an excellent effort between the police and local people, who provided the information on which they rely.

Mr. Coaker: As I said earlier, I could give some excellent examples from my constituency, as could all hon. Members from theirs. I join the hon. Gentleman in congratulating Inspector Woodhead on the work he did in conjunction with the hon. Gentleman and local residents to tackle drug dealing and other forms of antisocial behaviour. We want that sort of effort to be replicated throughout the country.

The Government have put more than £100 million into our efforts to tackle youth crime and build on the work already under way in many areas of the country. Measures will include: street-based teams of youth workers and ex-offenders to tackle groups of young people who are involved in crime and disorder; increased, visible patrols during and after school hours; expanding family intervention projects to respond more effectively to families at risk; and providing positive activities for young people. In our efforts to tackle knife and other violent crime, we have allocated £3.8 million to local community projects, including positive activities for young people, and £3 million to after school patrols, safer schools partnerships, "Stay Safe" operations, and the advertising campaign to which I referred. Again, all those projects involve the public and young people.

Chris Huhne (Eastleigh) (LD): I am slightly worried about advertising because evidence from the United States is mixed. For example, the "Scared Straight" programme, which showed young people the consequences of their actions, appeared to lead to an increase in crime. It appears to make a genuine difference when the person at risk is emotionally engaged with the consequences of a potential action. Such consequences do not necessarily emerge from advertising. What evidence can the Minister give the House to show that generalised advertising programmes, which do not necessarily have the emotional impact of a restorative justice programme, will lead to a reduction in crime?

Mr. Coaker: The evidence of young people, who tell us that the campaign will work. Some of the early feedback from the campaign also provides such evidence. Obviously, evaluation is important. The hon. Gentleman has raised such concerns previously, and he points to the evidence from the US. We will keep the matter under review, but we believe that the campaign will, as part of an overall strategy, have an impact. I agree with the hon. Gentleman that there is a need to ensure that someone who may be involved in crime understands the emotional consequences—that is also part of the advertising campaign. Some of the adverts try to convey the emotional consequences that people may experience. I agree about the importance of restorative justice—of trying to build public confidence in community payback schemes and using more of them. We have proposals to enable people to witness positive community payback programmes working visibly in their communities. Part of our task is restoring confidence.

I could give more examples, but I have spoken for half an hour and other hon. Members wish to speak. We have said a great deal about what we as a Government are doing to tackle crime and antisocial behaviour, but our initiatives will not work if the public are not informed about what is going on in their area and the consequences for the offenders. The public will gain confidence that their problems are being taken seriously and priorities are being tackled effectively only if we make action and justice visible. The Government are committed to working with the police and the public to continue to cut crime. People—rightly, in my view—expect that, and we will do it.

2.34 pm

James Brokenshire (Hornchurch) (Con): I welcome this debate and the acknowledgement contained within it that, despite all the Government's initiatives, all their legislative hyperactivity and all their rhetoric, the very people who are an essential part in the fight against crime—the public—have been left out of the loop.

In his nine points of policing, Sir Robert Peel, the founder of the modern police service, said:

> "Police, at all times, should maintain a relationship with the public that gives reality to the historic tradition that the police are the public and the public are the police; the police being only members of the public who are paid to give full-time attention to duties which are incumbent on every citizen in the interests of community welfare and existence."

Those words are as relevant now as they were then. We all have a responsibility to reduce crime, by seeking to abide by the law, reporting crime, supporting the police and taking action where appropriate.

The relationship that Peel outlined—the relationship between the public and the arms of the state intended to protect them—is based on mutual trust and confidence. Yet those bonds are being increasingly tested and strained by a Government intent on intervening when that is not needed, getting in the way of the relationship between the public and the police. The perverse reality now is that people are actively discouraged from intervening to stop crime taking place. People fear that getting involved might result in getting a record. The policy approach of increasing encroachment by the state, through ID cards, increased surveillance and DNA, mobile and e-mail databases, trusts us all so much that it treats us all as potential suspects.

That breakdown in the relationship has been highlighted by the Government's own advisers. Louise Casey was right when she said that the majority of people do not think that crime has fallen, that people

"do not believe the official statistics on crime"

and that

"the public see the Criminal Justice System as a distant, sealed-off entity, unaccountable and unanswerable to them or to Government."

That is a pretty devastating critique of 11 years of this Government's failed attempts to engage the public in the fight against crime.

It is telling that confidence in the police is down from 72 per cent. in 2003 to 57 per cent. in 2008, but should we be surprised when the Government have reduced the discretion of the police and their ability simply to get on with the job? The police cannot be on the public's side if the Government are not on their side. The micro-management of police officers by the long arm of central Government is the biggest drain on police time, officer morale and public confidence.

Police officers do not sign up to spend more of their time on paperwork than out on patrol. They do not sign up to spend half a day processing a single arrest and they certainly do not sign up to be

"a slave to doctrine and straitjacketed by process,"

in Sir Ronnie Flanagan's words. That is leaving aside the Government's culture of centrally driven targets, in which performance indicators on bringing crimes to justice have skewed police priorities on volume crime, antagonising the public and preventing officers from using their discretion to deal with local needs and priorities. We are talking about a regime that proved so successful that chief constables started abandoning it because it was meaningless.

On top of that, we have a performance regime of mind-boggling complexity and dubious effectiveness, in the Home Office's police performance assessment framework, which requires the police to carry out 23 baseline assessments and to record and report on 32 statutory performance indicators. That regime led one police force to undergo 15 different inspections in one year. As Louise Casey rightly notes,

"the public do not want their local police service to be chasing centrally driven targets, preparing for and responding to assessments and worrying about monitoring at the expense of time and resources that could better be devoted to local issues and to the quality of service."

Against that backdrop, one can begin to understand why the former head of the Police Federation and the Government's new police bureaucracy tsar, Jan Berry, has commented:

"We have lost the morality of successful policing."

To be fair to the Minister, I welcome the Government's acknowledgements of those fundamental mistakes, as embodied in the policing Green Paper. The problem is that their proposals for change simply do not go far enough. If they are really serious about giving greater control back to the police, why will they not scrap statutory charging and give the police the ability to charge suspects for all summary and most triable either-way offences? If they really want to reduce the stifling burden of paperwork, why will they not add to the list the paperwork relating to stop and search? That would allow officers to radio in the details and free up more than 1 million police hours each year. And if the Government really believe that their new public service agreement targets are not about central direction, as the Minister has claimed, why do they make it explicit that police services should not bother with shoplifting, despite the direct relationship between acquisitive crime and drug-taking?

The Government are now seeking to dress up the much vaunted police pledge as a new way to support community working. Putting aside the fact that the pledge is full of re-announcements and existing police practice, it is interesting to note that neighbourhood police teams will

"spend at least 80 per cent. of their time visibly working in your neighbourhood, tackling your priorities."

However, the point of neighbourhood teams was that their scope was supposed to be ring-fenced—they were supposed to be retained within their designated areas, and to be protected from abstraction to other areas, in order to strengthen engagement with the public. Yet this supposed pledge of better local service seems to be delivering the reverse. Will the Minister tell us whether giving a green light to community police officers to spend one fifth of their time outside the communities that they are supposed to be ring-fenced within, and which they are supposed to be protecting, represents a watering down of the commitment to neighbourhood policing?

To promote greater public trust, confidence and engagement, the public need to be assured that the information being given to them is reliable. Despite all the Government's continued assertions that the crime rate has gone down, the problem is that no one believes them. That point was accepted even by that arch-Tory, Cherie Blair Booth, in her street weapons commission.

The Government's principal measure of crime is the British crime survey, yet, as the Centre for Crime and Justice Studies at King's college, London, points out, the BCS fails to measure far more crime than it actually accounts for. At present, it does not include offences against those under the age of 16; murder and homicide are omitted; it does not measure rape and sexual assaults against women; and it underestimates incidences of domestic violence. Crimes against businesses are not included, nor does it measure white-collar, corporate or environmental crimes, all of which can have a devastating impact on thousands of people at the same time. As for the BCS's treatment of antisocial behaviour, the

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Government have sought to count what appear to be seven seemingly random measures of behaviour, leading the Centre for Crime and Justice Studies to note that

"it is hardly surprising that anti-social behaviour means whatever the government says it means. This has undoubtedly given ministers enormous scope to target whatever problem they consider to be of interest at any given point in time. Whether such a subjective and amorphous category provides the basis for robust, informed and evidence-based policy is a very different question".

Even when we talk about reported crime, the Government dent people's confidence by mis-classifying it. The recent revelation that the crime figures for serious violence had been understated by 13 forces fundamentally undermines the public's belief in the information that they are being given. If those most serious offences, which have such a great impact on perceptions of public safety, have been understated for as long as 10 years, it is hardly surprising that people should question what they are being told. If we cannot even count a problem, how can we combat it?

It is telling that, according to Louise Casey, the least trusted source on national statistics on crime is the Prime Minister, closely followed by the Home Office. We welcome Ms Casey's honesty, and her backing for the Conservative proposal for public trust and confidence to be strengthened by collating crime statistics on an independent basis.

I believe that we may need to go further and examine the potential for a single definitive measure for each crime rather than the often contradictory picture of British crime survey figures, as well as reported crime figures, which confuse the public. For some crimes, reported crime numbers may be more appropriate; for others, survey data may be more definitive. Irrespective of that, it is clear that official crime statistics should be at arm's length from the Home Office, so that the public know that the figures have not been chosen to suit the spin.

What of direct public action to prevent crime or to arrest offenders? According to Louise Casey, 75 per cent. of the public say that they are prepared to take an active role in tackling crime, yet only four out 10 say that they would intervene to challenge antisocial behaviour—fewer than in any comparable European country, with six out of 10 people being prepared to do so in Germany.

One barrier to such direct action is people's belief that if they get involved and challenge unacceptable behaviour by seeking to enforce their ability to conduct a citizen's arrest, they fear that they will be the ones on the receiving end. Rather than being supported by police and prosecutors, such people might end up with a criminal record. As Louise Casey stated in her report:

"There was a strong view from members of the public during the review that they would no longer intervene if they saw a crime taking place, for fear that they would either be attacked by the perpetrators or be arrested themselves by the police."

It is our duty to help, not hinder active citizens. That is why it is right to scrap Whitehall targets that encourage the police to pick on soft targets; why we should amend the police guidelines so that officers back those who use reasonable force to maintain the Queen's peace: and why the code for Crown prosecutors should be amended to make it clear that it is not in the public interest to prosecute those who perform a citizen's arrest in good faith. If people take appropriate action to protect their communities, they should be praised, not prosecuted.

Simon Hughes (North Southwark and Bermondsey) (LD): I am very supportive of the idea of encouraging people—I mean robust citizens, of course, not frail or elderly pensioners—to intervene actively, and I have always been troubled by messages suggesting that they should not. Does the hon. Gentleman agree that it would be helpful to have clear guidance, to which the Government and police authorities have signed up, on what exactly citizens' powers of arrest amount to? I do not believe that the public are at all clear about that nowadays. It would also be helpful to have clear guidance on the limit of permissible actions that can be taken without causing subsequent difficulties. If that were made clearer, people would not feel so constrained about intervening to try to break up fights and so forth.

James Brokenshire: There are two sides to the issue. Advice and guidance could be given to provide greater clarity, as the hon. Gentleman suggests, but clarity is equally obtained through enforcement, from cases and the response of the police and law enforcement agencies to particular circumstances. The balance has been skewed so far in the other direction that it has led to real fear in the minds of the public. It is not just a matter of understanding "reasonable force", which is clearly understood by the police and the prosecutors. I argued earlier that it is important to clarify the public interest test for Crown prosecutors so that they are clear in their assessment of these cases and the police are equally clear about what they can do to support those who conduct a citizen's arrest. As I said, such people should be supported in taking proportionate and reasonable action.

Jeremy Wright (Rugby and Kenilworth) (Con): On that point, does my hon. Friend agree that the issue is clear in the sense that reasonable force is permitted in defence of oneself or another, but that the real question is how we interpret the word "reasonable"? The problem, it appears, does not lie with the individual, or with the jury considering the case in the final analysis; generally speaking, it lies with the prosecuting authorities in between. They prosecute cases, but if the word "reasonable" were used in its proper sense, those cases would not be prosecuted at all.

James Brokenshire: My hon. Friend has summarised the position extremely clearly and made the right points. I think that the issue around the Crown prosecutors is the essential one. Yes, judgment calls need to be made, but if there were clarity on what is meant by "the public interest", it would go an enormous way to help unblock the current position where members of the public are fearful—the Government's own adviser recognised this and put it on the record—that if they intervene, they will be the ones who end up getting punished for taking action as active citizens.

Mr. Graham Stuart: I could not help hearing the Minister say, from a sedentary position, that the jury would throw it out. Surely that misses the point entirely. The point is that today the House, and Ministers in particular, must send the public the message that the

prosecuting authorities should not take action against people when any sensible jury will dismiss the charges. It is not enough to say that a jury will protect people; we need to know that we have a prosecuting system that will protect those who do the right thing.

James Brokenshire: I entirely agree. How appalling it would be if we said "Let us leave it to the members of the jury. Let them be the people to decide, exercising their discretion at the time. Let us leave everything hanging over this individual for six months until a conclusion is reached." That is why the Crown prosecutors must have clarification of what is in the public interest. I am surprised that the Minister does not seem to grasp the point.

There are other ways in which people can become involved: through neighbourhood watch schemes, about which we have already heard this afternoon, through participation in community police beat panels, and by holding those responsible for community safety to account. We strongly believe in giving better information to the public through crime mapping, which allows people to assess crime levels in their areas and hold the police to account.

In cities all over America, police forces regularly publish information about crimes in their areas: the type of crime, when it took place and where. Anyone can take the information and overlay it on an online map. It is a way of giving people unprecedented information about crimes in their areas and enabling social entrepreneurs, drugs charities and a host of other organisations to pick out the hot spots, see what needs to be done, and transform neighbourhoods.

Crime mapping has revolutionised the way in which crimes are fought in American cities, and it could do the same here. We would be able to map a large number of offences at street level for the first time, while being sensitive to issues of victim protection and privacy. I welcome the lead taken by Mayor Boris Johnson on this important innovation in London. I also welcome the Home Office's late conversion to our way of thinking. At the same time as mandating every force to release local crime statistics each month, we would ensure that quarterly beat meetings were held in every neighbourhood. That would give local people an opportunity to assess the preceding three months' crime figures and make the police responsible for taking action.

We would cut the bureaucracy and targets to get the police out on to the streets to engage the public day in day out, week in week out. The Government, however, have opted for a much more cumbersome and bureaucratic approach. Their latest supposed new idea is the "councillor call to action"—an idea so cutting-edge that it first appeared in the White Paper "Building Communities, Beating Crime", published in November 2004, which has been languishing on the statute book shelf gathering dust since Royal Assent was given to the Police and Justice Act 2006. It creates a statutory duty for councillors to respond to complaints made to them within a specified time, with the ability to escalate the matter to an overview and scrutiny committee, which can then take written reports and call police officers and other agencies into meetings to explain what they are doing. Given more paperwork, more reports, more police time off the street and less action, it is hardly surprising that when it was debated during proceedings on the Police and Justice Bill, it was considered to be a last-ditch measure. We begin to wonder for whom!

Then there is what is described as "participatory budgeting", a further bureaucratic process to engage the public in budget-setting and priorities. Described as a key activity in the Government's entertainingly entitled White Paper "Communities in control: real people, real power", the national consultation on participatory budgeting was so successful in engaging the public that it received a massive 14 responses from individuals. Yet again, it looks more like ticking the boxes than tackling the problem—mistaking meaningless public-sector posturing for meaningful public engagement.

The latest initiative, announced this week, is the creation of neighbourhood crime and justice co-ordinators in what have been described as "pioneer areas" in the brave new world that the Government are trying to conquer. The problem is that it is a world entirely of their own making. These council co-ordinators will largely have little more than a public relations role of telling the public about a policing pledge that has largely been implemented by forces in any case—the policing pledge criticised by the TaxPayers Alliance as wasting time and public money on "stating the blindingly obvious". It will amount to more publicity and less proactivity.

Instead, we need to promote active partnerships on the ground, working within communities. Cutting antisocial behaviour and underage drinking can be achieved by co-ordinated practical steps, such as initiatives like the community alcohol project in St. Neots in Cambridgeshire, bringing together parents, pupils, businesses, police and council trading standards, and by giving councils a much stronger say over licensing and the terms attached to alcohol licences. Rather than focusing on more rules, regulations and procedures, we need to focus on how we can give greater power and authority to communities.

Part of this local engagement will come through greater local accountability. We believe that effective policing is neighbourhood policing—the closer to the community, the better. For that reason, we believe it is necessary to reform the governance arrangements for the police force as a whole. Instead of being directed by, and accountable to, the Home Secretary, police forces should be directed by, and accountable to, the communities they serve.

We would make each police force accountable to an individual directly elected by the citizens of the police force area. Police commissioners would be responsible for setting the budget, appointing and dismissing the chief constable, setting local priorities, monitoring how well the police perform against local targets and ensuring best value from the local police budget. Chief constables would remain in place, free to make decisions in accordance with their professional judgment and oath, and accountable to the elected commissioner in terms of explaining their decisions and how their force is run. The operational independence of police forces will be strengthened, not weakened, as ministerial micro-management is scaled back.

We believe that this governance arrangement with police commissioners working with the local delivery partners of the crime and disorder reduction partnerships

[James Brokenshire]

provides a much clearer and more effective mechanism for bridging the accountability gap and ensuring that services to fight crime meet the needs of the local community and engage the public.

Chris Huhne: I am delighted that there is now agreement among Members of all parties that we need the benefits derived from decentralisation that the hon. Gentleman describes. However, as he will be aware, the policing community is anxious that the proposal to elect one person for an entire force area could cause tremendous politicisation of policing, which would not be helpful. In particular, they fear that such a proposal would fail to represent many of the minority communities that exist in areas such as Greater Manchester, Merseyside, the west midlands or that covered by the Metropolitan police. How can the hon. Gentleman assure people that the system he proposes would adequately represent minorities, so that their voice would be heard?

James Brokenshire: I think that can be achieved through the police commissioner working with crime and disorder reduction partnerships, which are at the community level. They represent the varied communities in the area, and they are the delivery partner to crack down on crime and to deliver on the crime prevention initiatives, which are a key aspect in the creation of the safer communities we all want.

However, I disagree with the Government approach to accountability in that I take issue with their proposal for crime and policing representatives, and with the Liberal Democrats' approach in their apparent proposal for a two thirds elected, one third councillors, plus a top-up, arrangement. Under the Government's plans, elected people would sit alongside other elected representatives on police authorities and, importantly, would chair crime and disorder reduction partnerships. If the Government think this solution will provide clarity to the public and bridge the accountability gap, they are fooling themselves—as are the Liberal Democrats in terms of their proposals—and they also risk undermining the effectiveness of CDRPs.

The Government are right that local councils should provide the primary leadership behind CDRPs as the mechanism to deliver local community engagement and crime reduction. The problem is that at the moment many are police led rather than council led. Police officers are effectively taking the lead and running the initiatives. When so many of the services come through local councils, primary care trusts and other such agencies, that cannot be the most effective way to deliver on the ground the initiatives that can help make a difference in those communities. If the crime and policing representatives are intended to chair the CDRPs, it is difficult to see how that structure could possibly encourage councils to take a leading role, as the Government appear to be suggesting. It looks more like a recipe for confusion, chaos and division.

Rather than yet another cosmetic exercise, we believe that we need a fundamental change of thinking. We need active citizens, not overactive Government. We need stronger communities, not stronger central control. We need Government to be on our side, not on our backs. The public have an essential role in the fight against crime, that is without doubt, and to return to Peel's nine points of policing,

"The ability of the police to perform their duties is dependent upon public approval of police actions."

Policing and the public go hand in hand.

Angela Watkinson: Does my hon. Friend agree that an essential part of public engagement is the accessibility of the police, and that an essential part of running a police station is to ensure that enough staff are available to answer the phones when the public are trying to get in touch and give information?

James Brokenshire: My hon. Friend is absolutely right, and whatever pledges may be made, written on a card or written down in a Government document, accessibility is key. People need to know that if they contact the police, someone will actually respond. I know that my hon. Friend has had some interesting local difficulties in getting responses to her own inquiries.

Trust and confidence are essential, and policing and the public go hand in hand: if we are to engage the public in the fight against crime, as the Government claim, that is absolutely essential. The problem with this Government is that they just cannot stop being the thick insulating glove that keeps the two apart.

3.2 pm

Keith Vaz (Leicester, East) (Lab): It is always a pleasure to follow the hon. Member for Hornchurch (James Brokenshire). I served with him for more than two years on the Constitutional Affairs Select Committee. He was then very quiet and studious, intervening in a most helpful way in the surroundings of a Select Committee. He has turned into a veritable Rottweiler since joining the Front-Bench team. I do not know whether it was the influence of the hon. Member for Romford (Andrew Rosindell), who is sitting on his right, that made him find his proper bearings. I am sorry that the shadow Home Secretary has just left. It used to be good cop, bad cop; we now have bad cop, bad cop: two very strong local PCs, with the divisional commander, the hon. and learned Member for Beaconsfield (Mr. Grieve), who has just left the Chamber, as a benign chief superintendent looking after the two PCs.

The Opposition used to quote Rudy Giuliani as their model for dealing with crime; it is now Cherie Blair and Louise Casey. How things have changed. At least they have not quoted President-elect Obama. This must be the first debate since Tuesday in which nobody has mentioned him—so I thought I would anyway, just in case people felt that I was not being supportive of him.

I congratulate my hon. Friend the Member for Gedling (Mr. Coaker) on his promotion in the Home Office to the role of Minister of State; it is a very worthy promotion and he will be a superb police Minister. He is of course the son of a police officer himself. I am not sure whether he arrived at his first meeting saying, in the words of "Dixon of Dock Green", "Evening all", but we certainly have someone in the job with enormous ability and an understanding of the police force, and we are very proud of what he has done so far. We in the east midlands are extremely proud to have him as our

local Minister. Anyone who can go out on Halloween with the specials in Nottingham deserves our respect and thanks.

I am sure that we will also hear from the Under-Secretary of State for the Home Department, my hon. Friend the Member for Tynemouth (Mr. Campbell), who has taken over the old job of my hon. Friend the Member for Gedling. We welcome him to his new position. I am sure that, as a former Whip, he has been preparing to be junior police Minister for the past four years or so.

May I congratulate the Government? I feel that I must do so *in order to redress what has been said by* Conservative Members, even though, as Chair of the Select Committee on Home Affairs, I try not to be a Government patsy. I thank the Minister for Security, Counter-Terrorism, Crime and Policing for ensuring that one of his first acts in post was to settle the police pay dispute for this year by giving them a settlement lasting three years at 2.6 per cent. That was the best and the right thing to do in the circumstances. Like me, he and the Prime Minister, along with many right hon. and hon. Members of the House, attended the Police Dependants Trust event only yesterday, when the Prime Minister rightly paid tribute to the work of the police and the exceptional nature of their job. I am so glad that this year I will not need to spend the period before Christmas joining the police on a big march through London saying to the Government, "Please pay up on the police award."

The Government did the right thing. We must never be in a situation where the Government and the police fall out over pay, and the Government should always abide by the decision of any independent arbitration, rather than leave officers, who have no ability to strike, to take to the streets to demonstrate. Perhaps that is all in the past, so I say to the Government, "Well done. Thank you for doing that. It is a good thing to get out of your in-tray."

The shadow police Minister mentioned the appointment of Jan Berry. It is another case of the Government's appointments being used against them, but the Home Secretary was right to appoint her to her position. She is not quite poacher turned gamekeeper, but I hope that her vast experience will mean that she will be able to assist the Government in their difficult task. Everyone on both sides of the House agrees—I have heard this so many times in debates on crime and policing over the past two years—on the need to cut police bureaucracy. Someone said that we should have a bonfire of targets. We should do that, so I think that Jan Berry's appointment is a very good thing, and I hope that the Government will be able to listen to her sensible suggestions.

At midnight on Monday, the Home Affairs Committee will publish its long report into policing in the 21st century. We began our inquiry in February, and it has taken a great deal of time. One member of the Committee is in his place, the hon. Member for Monmouth (David T.C. Davies), and another, the hon. Member for Carshalton and Wallington (Tom Brake), has just left the Chamber—he will doubtless pop back in during this debate. They will attest to the fact that the Committee took a great deal of time over the report, listening to a large number of witnesses and travelling the country—we visited Reading, Monmouth, Staffordshire and Manchester to take evidence. I hope that the House will be pleased with the report. I have to be careful that I do not inadvertently tell the House what is in it, because it has been embargoed and we must not allow leaks, even to the House itself. I hope that everyone will be waiting outside Her Majesty's Stationery Office on Monday to receive their copy at one minute past midnight.

The hon. Member for Hornchurch takes public engagement in fighting crime literally, in his new guise as Mr. Nasty. That public engagement does not necessarily mean that the public have to fight crime themselves, although I understand the circumstances in which he and others feel it is necessary to do so. He should *acknowledge the copyright* of the hon. Member for Newark (Patrick Mercer), another member of the Home Affairs Committee, who originally put through this House a private Member's Bill on so-called have-a-go heroes as a result of the situation in his constituency. Of course, there are circumstances in which such an approach is necessary and important.

More importantly, however, we need to get the public on side. Fighting crime should be above party politics; and I am surprised that after so many years it still is not. Unless we engage the public in fighting crime, we cannot fulfil the lofty ambitions of Sir Robert Peel quoted by the hon. Member for Hornchurch. I know that that sounds like centuries ago—certainly longer ago than "Dixon of Dock Green"—but core values are extremely important to tackling crime. Everyone acknowledges that the nature of crime has changed since the days of Robert Peel—for example, we have internet crime, which of course was not possible then—but those core values remain important.

To borrow a phrase from new Labour, we need core values in a modern setting. We must make them relevant to the lives of ordinary people. That is why, on 17 November, with the help of the hon. Member for North Southwark and Bermondsey (Simon Hughes) and the deputy Mayor of London, Kit Malthouse, the Select Committee will launch another inquiry into knife crime. We felt that it was important to involve all political parties, hence the involvement of the hon. Gentleman, the deputy Mayor and others—although, sadly, the leader of the Conservative party could not attend because of diary commitments.

It is important to reach a consensus on how to deal with issues such as knife crime, and crime in general. That is what the public want; they do not want to see us squabbling—not that we have been squabbling today; we have to put forward our different ideological views. However, on crime, the public expect us to be above party politics. Crime affects every member of the public—men, women and children—from birth to death. Everyone, at some point, will be involved in the criminal justice system, whether individually or through a family member, either as the perpetrator—of course, that does not apply to anyone in this House—or, more likely, as a victim, or as somebody who knows a victim, observes a crime or reads a newspaper. The responsibility for everyone to rise above politics is extremely important.

I also praise Louise Casey—we are all quoting her like mad, even though she is not here—who has done a pretty good job. She has been allowed to do some "blue-sky thinking"—as it is called—on the Government's crime policy. She is right to mention the public's worry that crime is rising, although statistics tell us that it is falling—that is what the British crime survey has told us

[Keith Vaz]

for the past 11 years. We must overcome that difference in perception, which has been identified by the Opposition and acknowledged by the Government.

We must have faith in the organisation and the individuals fighting crime for us—the police. They need to be well paid, well resourced and well respected. Ian Johnston, the head of the Police Superintendents Association, told his conference:

"The greatest challenge facing policing today is the issue of public confidence."

When I intervened on the Minister, I mentioned that more than 40 per cent. of those who have had contact with the police have less confidence after their experience than before. Those are the worst figures in the public sector, which should worry the Government and chief constables. This Government have invested more money in fighting crime than any other—the Opposition will probably not accept that, but the statistics bear it out. The police are better resourced than ever before. However, when I try to intervene in cases and ring a police constable—yes, the Chairman of the Home Affairs Committee actually does this—to find out what is happening, often I am told that the police officer in charge of the case is either sick, out of the office or at lunch and will ring me back. Even I—an elected representative trying to intervene in a case—have found a lack of proper communication. That is the first thing that we need to consider.

Mr. Graham Stuart: What is the right hon. Gentleman's analysis of our analysis of the problem, which is that there is a lack of accountability? We need to return police accountability to local people. There is cricked-neck management of the police, because they are for ever looking up to the Home Office. If they could only look down at their local population and be accountable to someone elected by that population, the chief constable would have a shield of protection from interfering Home Secretaries and would be able to police for local people and thus repair the divide about which the right hon. Gentleman speaks so powerfully.

Keith Vaz: I agree with the hon. Gentleman that we need better accountability, but I do not criticise the Home Office for intervening. The Home Secretary and other Ministers intervene not for the sheer hell of it but to try to make sure that the public's demands are met.

Some sections of the Conservative party have proposed having elected chief constables, but I would not go that far—although the hon. Member for Hornchurch did not say that that proposal was still Opposition policy. I am not sure that that is the right way to proceed, but there needs to be a much more visible presence for elected police authorities.

I think that I can name just two members of Leicestershire police authority. Its chairman is Byron Rhodes, a Conservative councillor who does a very good job. The Labour representative on the authority is Piara Claire, a local councillor, but I cannot name any other members.

The visibility of police authorities is important, and that is why some of the things that Louise Casey has said should be taken to their logical conclusion. In one paper she has proposed that authorities should hold annual meetings and, if we are to have them, we should make sure that members of police committees are in the firing line. They, and not necessarily the chief constable, should be there to answer for what has been going on.

Similarly—and we could have a big debate about quangos—I cannot name one member of the local health trust in Leicestershire, apart from the chief executive. Who are these people? The fact is that those who dispense public money ought to be available to answer questions.

The hon. Member for Beverley and Holderness (Mr. Stuart) can take me all the way up to electing police committees, but not beyond that to electing chief constables. However, he has made a good point about accountability.

Mr. Stuart: For the elimination of doubt, the position of the Conservative party is that we need directly elected police commissioners who would work with chief constables. That is my personal belief too, but I want to make it clear that we are not talking about directly electing chief constables. Directly elected police commissioners would give us the visible figurehead that we need, as all the other methods that have been tried, however genuinely, have failed to deliver the accountability and public understanding that the right hon. Gentleman has just mentioned.

Keith Vaz: I thank the hon. Gentleman for that intervention. Perhaps he should join his colleagues on the Front Bench, as he has given us the clearest analysis that I have heard of the Conservative party's position. Meanwhile, the bad cops on the Opposition Front Bench were chattering to each other and missed what he said.

Simon Hughes: I want to descend to the mundane and respond to the right hon. Gentleman's valid point about poor communications with the police. My constituents have a variable view of that, as some get good responses from the police, and some poor. Does he agree that it is imperative that the police understand that it does not really matter to people if they get a reply from a civilian, a volunteer or a police officer? What matters to them is that they get through to a real person when they phone, and that a real person phones them back with the answer that they need, and does so in a reasonable time, which is normally a day. That should not be beyond the wit of any police service in Britain. Will the right hon. Gentleman join me in getting the message out that the police must understand that if they do not deliver that, they will be failing our public on a regular basis?

Keith Vaz: The hon. Gentleman has got it absolutely right. People need to get a reply, and proper information. I did not use the case that I have just described to criticise individual officers but to show how frustrating it is even for Members of Parliament to use the system. How much more difficult must it be for our constituents? They come to our surgeries on a Friday, Saturday or Sunday and expect us to write to the local chief constable. I always do so, even though I never get a reply from my local chief constable, Matt Baggett. I do not expect to, because he is very busy, but I do expect to get a reply from somebody, at the very least. I can send that reply on to my constituents, who can pursue it for themselves.

There is no point in the police giving out unique numbers or e-mail addresses unless someone is available to reply. Communication is very important: we do not need new laws, directives or guidelines from the Minister and the Home Secretary so much as better management and administration. Getting that message across will help to get the public on our side, and that is a very important matter.

My second point is about neighbourhood watch. In the past, it was not regarded as very important in the fight against crime, but we need to go back to praising those involved with it, and we must ensure that communities come together. That meets the point made by the hon. Member for Hornchurch: we cannot fight crime unless communities work together. We should give more support to neighbourhood watch. I am sorry that the hon. Member for Carshalton and Wallington is not in the Chamber, because he raised the point when he intervened on the Minister for Security, Counter-Terrorism, Crime and Policing. The people involved are our local heroes and heroines. I know that some are criticised; there is an amused attitude to some because they peer from behind their net curtains to see what is happening in the road, but thank goodness that they do.

The "good neighbour" policy should be the bedrock of our fight against crime. If one sees a neighbour's house being burgled, one does not just go back to the sitting room, watch telly and have a cup of tea. One picks up the phone and rings the police. I am not sure that I am with the hon. Member for Hornchurch; if I saw my neighbour's house being burgled—I am not often at my house, being a Member of this House—I am not sure whether I would be prepared to rush out and challenge the burglar. I am not sure whether I have that kind of confidence, or whether I would qualify, on age grounds, as being able to do that. The hon. Member for North Southwark and Bermondsey (Simon Hughes) talked about a robust citizen; that may apply to anyone of any age. If a burglary is taking place, people should at the very least pick up a phone and ring the police.

James Brokenshire: The right hon. Gentleman described me as a Rottweiler, but I hope that he will take on board the fact that my point was not that someone should automatically rush out in the circumstances that he described, but that they should not actively feel that they are prohibited or prevented from doing so by the structure or operation of the law.

Keith Vaz: I was only teasing the hon. Gentleman a little, and trying to do his career some good by saying how right wing he is on policing matters. I have now completely forgotten what I was going to say.

Mr. Cooker: Burglary.

Keith Vaz: I thank the Minister for that prompt. We must value good neighbours. The good neighbour is one of the building blocks of a successful local community policing scheme. The other building block is the beat police officer. I have been to numerous residents' meetings at which residents have nothing good to say about the police and their response time, but at which they praise the beat officer as if he were the new messiah. That is because they see the beat officer regularly. They do not hold the beat officer responsible for anything that goes wrong with the criminal justice system. They see that beat officer, and are very grateful. The system has somehow become detached from the person who is seen as the local bobby. We need to make sure that the system is re-engaged; what people see should somehow be fed into a system, so that there is a network to inform people that crime is occurring.

Again, I do not wish to stray into what the Home Affairs Committee will say in our report next week, but empowering citizens is important. Police should be given the confidence to realise that when people ring regularly, they are not a nuisance; they are there to help them. Sometimes, we get feedback suggesting that if people ring regularly, the attitude towards them is, "Why do they keep ringing us? We can't do anything about it."

We have a problem with quad bikes in Hamilton in my constituency. The quad bikes are out every weekend, and the residents ring the police station every Monday. The police feel very upset about that, because there is nothing that they can do other than rush out and arrest the young people, but they feel that they do not have the resources to do so. A partnership is needed, and that is the basis of how we can proceed.

My final point in this very important debate is that it is absolutely crucial that the Government try to build a better consensus with the Opposition parties on this issue. As to whether we need a forum in which to do that, I do not know. There are clever people in the Home Office—some of them are here today—who, I am sure, will work up some initiatives for the Minister. Somehow, we need to raise the issue above party politics, and if we can do that and pool the good ideas that exist in all parts of the House, we can fashion a new era of policing for our country. I think that we have the best police officers in the world, actually. They are brave and hard-working, but we must understand that we need to re-engage them positively with the rest of the community. Somehow, we need to involve everyone in that process, and I know that the Minister, who is consensual not confrontational, will want to think about the ways in which he can build on all the ideas that we have put forward today.

There is not a huge attendance in the House, and it may be something to do with the fact that something is happening in Scotland later this evening, but we can build on this consensus and take up these new ideas. If the Minister were to return to the House with these new ideas, we could debate them again and try to fashion a programme that was acceptable to the whole country and to all the political parties.

3.25 pm

Chris Huhne (Eastleigh) (LD): I am delighted to follow, as I often do, the right hon. Member for Leicester, East (Keith Vaz), but I am slightly frustrated that he was unable to give us more of the contents of his forthcoming report, which I certainly look forward to reading. He is obviously unaware that there is nothing quite so secret as a speech made in this House, particularly on a Thursday afternoon. Looking at the Press Gallery, I am afraid that there was certainly no risk of his breaking an embargo.

Public engagement in fighting crime is absolutely crucial, but unfortunately the problem is rather more deep-seated than that mentioned by the hon. Member

[Chris Huhne]

for Hornchurch (James Brokenshire) and importantly clarified by my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes)—the issue of have-a-go heroes. I was shocked by the survey evidence about Britain when compared with other major European countries. British residents, for example, are far less likely to challenge antisocial behaviour. In the UK, six out of 10 people said that they would be unlikely to challenge a group of 14-year-olds vandalising a bus shelter—a higher number than in any country surveyed by Laycock in research for the Jill Dando Institute of Crime Science. In Germany, for example, the position is the reverse: six out of 10 people said that they would challenge the group.

We have to realise that policing by consent is a two-way process in which the public have to support the police. The police cannot operate in a void or a vacuum where the public are not prepared to come forward. The public do not have to get involved in the have-a-go hero model but, as the right hon. Member for Leicester, East said, they must report issues to the police, be prepared to give witness statements and go to court, and provide leads and intelligence for the police. It is crucial that we try to rebuild the public's trust—although perhaps it never existed in this country. We have to stop seeing the police as a branch of a supermarket, where we spend our money, get them to do something, delegate all the effort to them and tell them to get on with it because, beyond that, we do not have any public responsibility. That is the wrong attitude.

Louise Casey, in her report, says:

"The public are the most important weapon in tackling crime."

She is right about that, and there was much in the report to welcome, although we thought that there were some gimmicks, too. I am not sure that I want to bring back tabards with "Community Payback" written on them. Public humiliation as part of a criminal justice strategy went out with the village stocks, and it is not likely to cut reoffending. We must concentrate on that issue.

David T.C. Davies (Monmouth) (Con): Will the hon. Gentleman give way?

Hon. Members: Bring back the stocks!

Chris Huhne: I am very happy to give way to the hon. Gentleman.

David T.C. Davies: I am inclined to agree with the hon. Gentleman, but for very different reasons. I do not think that these people would feel any sense of shame whatever; some of them would be quite proud to be seen out having committed a load of crimes. It is for that reason that it would not work, and not because there is anything wrong with publicly humiliating people. These people just do not care.

Chris Huhne: I disagree with the hon. Gentleman, certainly about the advisability of publicly humiliating people. These things go in fashions, but when I had responsibility for a group of employees, the one thing that was always stressed to managers was that praise should be public and admonishment private. If somebody decided to humiliate one of their team, they would be guaranteed to lose that person's trust and commitment. We have to be careful. The key focus of any criminal justice policy ought to be to stop reoffending and cut crime. We are not there to make somebody feel better because of punishment or humiliation, and we should always remember the key objective of cutting crime. Humiliation may not be the best way of achieving that.

Jeremy Wright: I agree with the hon. Gentleman's latter point. Far be it from me to defend the Government, but is not Louise Casey's point rather different from what he suggested? It is that people need to understand what is being done in community punishment, and therefore the visible exercise of such punishment is good, because it restores faith that real punishment is taking place.

Chris Huhne: The hon. Gentleman is right; that was exactly Louise Casey's point. However, I am afraid that there would be a lot of collateral damage of the sort that I have described. There are other, more effective, ways of achieving the objective—not least, putting more resources into the probation service and making sure that community sentences are done properly. In that way, magistrates and Crown court judges will have confidence that their non-custodial sentences will be carried out effectively. That will have the effect that the hon. Gentleman and I want.

Time is marching on, and I am sure that many other Members want to speak, but I give way.

Mr. Paul Burstow (Sutton and Cheam) (LD): My hon. Friend has talked about the need for robust citizens, as has my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes). In the small hours of Halloween, I met one group of robust citizens in the high street of Sutton town centre. They were street pastors. Does my hon. Friend agree that street pastors, such as those led in Sutton by Mark Tomlinson, are one way of providing greater safety in our town centres late at night?

Chris Huhne: I very much agree; my constituency also has a street pastors scheme and the pastors do extremely good work. Unfortunately, a lot of the areas where street pastors would be most beneficial are not those where it is easiest to find volunteers for that work. There is a slight mismatch. If we could bus street pastors to areas where they were most needed, there might be a real advantage.

Simon Hughes: My hon. Friend probably thinks that Southwark is one of those areas of need, but it has a fantastic network of street pastors and others. The inner city is doing its bit and the pastors and others are very effective.

Chris Huhne: I am delighted to hear that. The provision is slightly patchy; in south Hampshire, there are active street pastor schemes that do extremely good work and I certainly praise them for that. However, there are not yet such schemes in some of the areas most at risk.

Obviously, the Liberal Democrats say yes to neighbourhood policing, involvement and policing by consent. The success of neighbourhood policing in London is very clear—it raises visibility and gives

reassurance, and the public can see the policing take place. That is not just a cosmetic effect; it results in more intelligence leads for the police and greater witness willingness. Both those things are very good.

We also say yes to public information such as ward-level crime and detection data. Like the hon. Member for Hornchurch, I am very much in favour of crime mapping. Like all good ideas, it has many parents; failure is always an orphan. I was recently sitting next to the chairman of the West Yorkshire police authority, and he said that his authority was the first to come up with crime mapping. By all means, let us make it happen. Let us add in not only crime data, but detection data. As far as I know, my force in Hampshire is the only one that produces detection data as well as crime data at ward level. That is necessary to inform the public debate and ensure that the public can hold their local police force to account.

James Brokenshire: The hon. Gentleman refers to mapping detection rates, but several police officers have told me that those figures are very much open to manipulation and fiddling. Does he acknowledge that that is the case, and if so how would they better inform the public?

Chris Huhne: I am grateful to the hon. Gentleman for raising my next point: how we provide the public with greater reassurance about the crime figures. In categories where the statistics are politically charged, we have had periods when their credibility has been completely destroyed by a Government misusing them or an Opposition attempting to undermine them. I give the hon. Gentleman the example of the unemployment figures under the Conservative Governments of 1979 and onwards, when there were so many changes that in the end people did not believe them. There is only one solution, although he did not spell it out. We must give the Office for National Statistics a much clearer and more hands-on role in ensuring that the publication of the crime statistics, whether on a British crime survey basis or a recorded basis, is correct and that the public can have confidence in them.

To what extent is there a match-up between neighbourhood watch and the Government's proposed community champions? It sounds like the same sort of idea branded in a slightly different way.

We have rightly discussed the important role of special constables and the need to boost them. The Minister mentioned the possibility of having fewer special constables who are more active in terms of the days that they spend with their local force. It would be interesting to have the data on that to see whether it is the right approach. All Members, on both sides of the House, want special constables to play an important role. It is the best and one of the oldest examples of drawing the community in through voluntary work.

I agree with the right hon. Member for Leicester, East that it would be profoundly desirable if there were a genuine political consensus about policing. The police, above all, would like that, because they do not want their professional status to be brought into question by what they see as a political debate that sometimes does not so much shed light as generate heat. We all seem able to agree on the need for public accountability of the police force at local level. We should get rid of national targets, because they are past their sell-by date. I agree with what the hon. Member for Beverley and Holderness (Mr. Stuart) said about accountability to local people. Local people know what their priorities are and what their service is, and if they are given the power to elect a body that will in turn hold the chief constable to account we will have the beginnings of an answer to this problem, which we all want to be solved.

Keith Vaz: What is the Liberal Democrats' position on the election of commissioners? Do they favour that, or not?

Chris Huhne: I am glad that the right hon. Gentleman asked me that, because I was coming to that point. All three parties in this House are now in favour of some decentralised model. We go a little further than other parties in wanting to give police authorities stronger powers to hire and fire and to set priorities and budgets. However, we have been getting into trouble with our local councillors about this. We all need to say clearly that if we are to have genuine decentralisation—if we are to give real power locally to hire and fire a chief constable and to set a budget—then there is a quid pro quo, which is that voters must be able to hold to account the people who are exercising those powers. The indirect form of election does not work. For example, we do not have in Eastleigh a representative on Hampshire's police authority. If Hampshire's police authority is to have the power to sack a chief constable of whom it does not approve or to put up the council tax precept—in our case, of course, we would prefer it to be a local income tax—I want to be able to tell the people in my constituency that they have a buy-in, because they have been able to vote for somebody who has such powers, but at the moment they do not have that buy-in. We have to be united in telling local councils that the indirect system does not have adequate accountability to make the new devolved powers work.

That brings me to the point that the right hon. Member for Leicester, East asked about. We do not approve of the Conservative proposal for a single, directly elected commissioner. If one person is elected to represent a complete and complex force area, such as the west midlands, London, Merseyside or Greater Manchester, where there are substantial minorities who each have their own view, we will not get the sort of accountability that will take care of the important and sometimes fragile relationship between the police and minority communities. That is a recipe for situations such as the Brixton riots and the sort of problems we saw in Bristol. We must not go back there.

Although I agree entirely with the hon. Member for Hornchurch about the need to decentralise, for heaven's sake we need to be careful how we decentralise. We need to ensure that the system that decentralises represents the whole community, which will be policed in a natural way, and we need to ensure that the police know that they have a sounding board for their ideas and where the community's views will be genuinely represented.

Mr. Graham Stuart: I am persuaded that in order to get the accountability we need one figure as police commissioner—I am not saying that there are not other arguments or analyses. Without that, even if we have elections to the police authority, they will probably end

[Mr. Graham Stuart]

up not engaging the public imagination, and it is likely that people will carry on not knowing who their elected police commissioners are. It is clear that the hon. Gentleman feels powerfully that minorities will not be represented. We in this Chamber represent varied areas with, in some cases, large ethnic minorities, and we seek to represent all those people. I have never heard that our form of representation is seen to be failing. I do not understand quite why the hon. Gentleman feels the way he does.

Chris Huhne: I am astonished that the hon. Gentleman, who is a very intelligent Member, feels that this is a representative Chamber. I do not know whether he realises how many women there are in the Chamber today, or how many members of ethnic minorities there are, but this is not a representative assembly of this nation. The academic evidence is clear: if we elect someone for a single constituency under a first-past-the-post system, we will end up with parties, through the natural operation of their own self-interest, putting forward middle-aged, white, middle-class men in suits. That is a fair description of the people here.

Mr. Graham Stuart *rose—*

Jeremy Wright *rose—*

Chris Huhne: I will give way to anyone who is not a middle-aged, middle-class man in a suit. Are there any?

Angela Watkinson *rose—*

Chris Huhne: Yes! I give way to the hon. Lady.

Angela Watkinson: Does the hon. Gentleman not agree that the whole point of equality is that everybody is treated the same? Dividing people into sub-groups and treating them differently is counter-productive.

Chris Huhne: I am delighted to reassure the hon. Lady that I have no intention of dividing anybody into a sub-group or treating them differently. I am merely making the point that the international evidence, which is peer-reviewed and academically respected beyond challenge, is that proportional representation systems lead to a much greater balance in terms of gender and ethnicity than first past the post. The system that we propose has two enormous advantages in comparison with the one proposed by the Conservatives. It represents everyone in the community, so that, if it is a complex community, such as London or Greater Manchester, the police genuinely know that every minority will be represented because every party will have an interest in putting forward candidates who represent those groups. Those candidates will be able to hold the police to account fairly. That is a natural process that comes out of the system of election. It is not something that has to be rigged, or for which fair rules have to be introduced, and it is very clear.

Jeremy Wright: The point that my hon. Friend the Member for Beverley and Holderness (Mr. Stuart) made was not about whether the Chamber was representative. He asked whether the hon. Gentleman believed that it was impossible for a single individual to represent a varied group of people, as we do. If he believes that, perhaps he should tell the electors of Eastleigh.

Chris Huhne: The hon. Gentleman may not realise that I favour a change in the electoral system for the House—and I think that my electors in Eastleigh know that. If I had my way, my constituents would have the opportunity of electing a Conservative Member and a Labour Member as well as a Liberal Democrat Member in a multi-Member constituency. I believe that that would help re-engage people in our national politics, but Mr. Deputy Speaker will pull me up for making irrelevant remarks, so I will revert to the subject of the debate.

The police in this country have an extraordinary, honourable tradition of being non-political. We have a fantastically good and successful police force. I do not want the professionalism of police services throughout the country to be tarnished by the sort of yah-boo politics, which, I fear, would ensue if we accepted what the Conservatives advocate and had one person, after election by first past the post, in which the issues would be polarised as much as possible to clarify support for one person against another. That is a recipe for polarising the debate about policing and leading to much worse police outcomes in many parts of the country. Senior police officers, who have thought about the matter, are worried about the proposal. They buy the argument about local accountability because they rightly want national targets to be abolished. It has taken some time—11 years—for Labour Members to reach that view, but, thank heavens, having exhausted all the alternatives, the Government seem to be stumbling into the right policy area.

The method whereby we hold people to account is crucial. We need a system that represents fairly all the groups in the police authorities that will not only act as a sounding board for the chief constable, but will, by virtue of representing all those groups, including the party groups, have to work together through co-operation and consensus rather than confrontation. That is much more likely to guarantee a continuation of the tradition that we all support—professional, non-political policing—than the proposals that Conservative Members have made or those that appear in the Government's Green Paper. Using first past the post to elect one person for each crime and disorder reduction partnership will have a similar effect to that which I have outlined. On analysis of the likely outcome of the proposals in the Government Green Paper, police authorities will probably be unrepresentative.

Let us go back to the drawing board, agree that we need a decentralised system, with real power for local people, and ensure that the system of accountability genuinely engages local people by drawing everybody in, and does not attempt to polarise and make more confrontational a debate that does not need to be confrontational.

3.48 pm

Nia Griffith (Llanelli) (Lab): Public engagement in fighting crime is crucial. We all know that we cannot have a civilised society without a consensus approach to

fighting crime, and that we need 99 per cent. of the people on our side to implement the laws that we want for our society.

How do we improve matters? Crime has decreased in the past 11 years, funding for forces has increased hugely, we have police community support officers as well as regular police officers, and many other improvements have been made, yet a tremendous fear of crime persists. People remain convinced that there is more crime than actually occurs and that they will be victims of crime. They also still have a negative view of some of their encounters with the police. Clearly, a huge amount of work remains to be done to improve communication between communities and their local police forces.

That approach seems to be working successfully at the local level. The neighbourhood policing scheme seems to have taken off well in the urban areas of my constituency, particularly the Communities First areas, where there is quite a high-visibility approach, with pictures put up, phone numbers and so forth, so that local people can get in touch. Nevertheless, there are still some issues that people feel quite strongly about—although perhaps I am biased and have a more negative view than I should because people come to me when things go wrong. We have a new chief inspector in the Dyfed-Powys force, Ian Arundale, who is determined to look into practices in the force and see what we can do better. We have to be prepared for change, both as communities and in the police force.

One issue that seems to come up again and again is the police not getting back to people. As busy Members of Parliament, we all know how difficult it can be sometimes be to explain to a constituent that they are the 127th person to contact the office in the past few days and that they cannot have an answer immediately. However, it is a worry when people report something in their locality and are told that they will receive a response, but then do not receive one. There seem to be so many small, practical ways of overcoming that problem, such as better logging of promises to ensure that people are kept informed. Where there is progress on a case but that is not communicated to the community, that can leave a negative impression, even though something positive has happened.

There are certainly some positive aspects: we have good meetings with local people, we have boxes in post offices into which people can put their ideas, and we have a generally high profile. We in Dyfed-Powys are lucky not to be plagued by serious crime very often. However, we have our fair share of antisocial and quite unpleasant minor criminal activity, which can be a blight on communities and individual's lives. We need to think what the best ways are of getting people fully involved. However, we must remember that the police and the average citizens are not the only ones who have a say or who can do something. Local councils, too, have quite a considerable role to play in certain areas, such as licensing.

Too often, when people make applications for licences, they try to turn the current law against us by saying, "You can't possibly turn us down, because of X, Y and Z." They say that because they are demanding a licence and employing people specifically to make their case. However, local councils have discretion and can invoke the provisions about not increasing the likelihood of more criminal activity to turn applications down. We were pleased in Llanelli in a few weeks ago when the county council's licensing committee turned down an application. The committee listened to local residents' concerns and said that 4 am was too late and would create problems, and so limited the licence to 1 am.

Councillors can use their discretionary powers and must not let themselves be bullied by applicants who say that the law says that they cannot. Councillors should retaliate by saying, "The law gives us full discretion and we as councillors will choose to do what the people of the area want." There is therefore a role for invoking the laws that we already have and for using them effectively to make our communities safer and more pleasant places to live, where people can be confident that they can go about their business without being confronted by antisocial behaviour.

I am currently working with the mayor of Llanelli to look into the possibility of creating an alcohol-free zone in the town. We are obviously proceeding on the basis of full consultation with stakeholders, local residents and the police on whether such a zone might be an effective tool in the fight against antisocial behaviour. That would not mean that licensed premises would not be able to continue serving alcohol, that they could not use their beer gardens or that, if they have an appropriate licence for tables in the street, they could not continue to serve people there, but it might offer another tool to cut down on reckless and thoughtless antisocial behaviour, which is often fuelled by alcohol, particularly on the lighter summer evenings.

There are a number of stakeholders in the community who have a part to play. It is sometimes easy for us to pass the buck. On the issue of traffic, for example, the police control the double yellow lines and the county council looks after the residents' parking schemes, and all these things get very confused in people's minds. It is therefore crucial that we make it clear who can do what, and that the various agencies communicate with each other, so that members of the public do not necessarily have to know who to approach, as long as their problem is passed on to the appropriate person. There is an antisocial behaviour officer in the county, and there should be direct communication between the police and that person. The same applies to the public protection people who clamp down on the shops that sell alcohol to under-age customers.

There has to be direct communication, because members of the public do not always know whom they should go to, and they can sometimes get frustrated if they are passed from pillar to post. All our services should automatically communicate with each other to provide a better service for the public. If a member of the public has made one phone call, they do not want to have to make several more in order to get something done. They often end up in our surgeries, because they feel so frustrated that nothing is being done.

The Green Paper provides us with food for thought, and contains some excellent ideas on possible ways forward. Certainly, anything that we can do to improve communication from the police to the community telling the community what they are doing, and from the community telling the police what they would like to be done, will be welcome.

I am concerned, however, about the idea to scrap the local authority representatives on the police authorities and to have new crime and policing representatives

[Nia Griffith]

instead. Although I do not always agree with all my local councillors, they are, in general, genuine representatives of the community. They have been elected on a broad slate of issues and they take an interest in all aspects of people's lives. The councils in the Dyfed-Powys area each select two or three councillors to represent the county on the Dyfed-Powys police authority. Those councillors automatically have a network of people whom they can consult. They know each other, they have meetings and they are able to represent what people across the county are feeling. In a county that measures roughly 45 miles from north to south and 45 miles east to west, how would a crime and policing representative get feedback from the public in order to represent such a large rural area? I do not know how anybody could feel genuinely representative of the whole of the Dyfed-Powys area. As far as I can see, they would not have a mechanism to provide them with the necessary input from their local communities.

I am also worried that this proposal could give rise to some kind of extremist infiltration. We all know that it is not easy to get voters out to take part in elections, but we are now proposing to hold yet another election on a single issue. One can imagine candidates who might be over-the-top, over-enthusiastic vigilante types. One can also imagine some of the more extremist groups trying to get hold of that particular position of power, perhaps even as a knee-jerk reaction to some dreadful crime that has been committed in the community. I wonder whether such people would be representative of all the issues affecting the community.

Our local councillors are also very aware of the other services that link in from the county council to the police authority. I have already mentioned public protection and the antisocial behaviour units. Councillors are also aware of the pressures on funding. They realise that for the police, like everyone else, funds are not limitless, and that they have to make difficult decisions. They probably have a much broader outlook on the issues affecting their communities. I worry that a system of crime and policing representatives that had no representation at all from locally elected members will not be the right way to go about creating a truly democratically representative group of people to advise on the work of the police authority in their area.

Having said that, I welcome the Green Paper in broad terms, particularly its focus on trying to get greater involvement. I have to say that the problem will not be solved overnight; it is going to need continuous work. We are always going to have to find better ways of getting our message across, better ways of communicating with the public and better ways for them, in turn, to communicate with us. Although we all like to have a little moan, members of the public are aware that they cannot be at the forefront of deciding how things are done in every single service. People often say to me, "This is something that the professionals will need to sort out," so we need to be cautious about believing that everything can automatically be devolved to and decided by communities. We need their input—there must be good consultation—but they also have elected representatives. They have us to change policies at the national level and they have their local councillors to change things at the local level. That is the right way to proceed.

4.1 pm

Jeremy Wright (Rugby and Kenilworth) (Con): It has been clear throughout the debate that the proposition we are discussing is not only about public engagement in fighting crime, but, linked to it, whether public confidence is sufficient to enable them to engage in an enthusiastic manner. I want to focus on two particular aspects of the process that is followed by all those who have engaged with the police and the criminal justice system.

Let me start with the police and with the point at which people first make contact with them, which is hugely important. First contact may be made by phone. As my hon. Friend the Member for Upminster (Angela Watkinson) mentioned earlier, it can be difficult getting through to the police by phone, and when that happens the public's perception of the police does not start on the right footing. Sometimes, too, the public do not receive a visit when they expect or as quickly as they would like. I was pleased to see that the Green Paper made reference to that in respect of the new national standards on how quickly people should be responded to.

In order for that process to make sense, there must be a reasonable way in which to assess police priorities in terms of response times. We all understand that the police cannot be everywhere at once and cannot respond quickly to everything, so there must be a reasonable method according to which the police may determine which cases are a priority and which are not. I cannot be the only Member who has had long arguments with their local police forces about how that process is carried out.

If the public are to have confidence in the system and remain engaged with it, they must also have confidence in how police priorities are assessed and implemented. It seems perfectly right, as the Green Paper says, that we should look at the vulnerability of the person who makes the phone call and expects the police visit when determining whether the request for such a visit should be viewed as a priority. It is also important to look in a wider sense at how we define vulnerability. Of course, in many cases, it is not a priority to respond to an incident of domestic violence or harassment, but if that violence and harassment occurs in the context of a long-running saga, repeated events or perhaps when a violent partner returns from a period in custody, it should be viewed as a priority. At first sight, such a case might not seem like a matter of high priority, but with a fuller investigation of the background facts, it most certainly can become one. Neither the Minister nor the House will need any reminder that nearly every murder case that the courts have to deal with is effectively a domestic incident that has become extremely serious.

My second point is about accountability. As the hon. Member for Eastleigh (Chris Huhne) made clear, there is a measure of agreement across the House on the need for better accountability in respect of setting policing priorities.

The right hon. Member for Leicester, East (Keith Vaz) raised the question whether we are talking about directly elected police chief constables—and it was made clear to him that we are not. There is an important distinction between those who set strategic priorities for a police force and those who take operational decisions. I do not believe that anyone is suggesting that such

operational decisions should be taken by anyone who is elected; in my view, however, strategic decisions most certainly should be.

The point about direct election is that it is all well and good telling the public, as they have often heard on so many subjects, "Your views are very important to us; consultation is vital", but that will not work unless there is a mechanism that not only allows the public's views to be taken into account but, if those views are roundly and widely ignored by the body concerned, allows the public to act to remedy the problem. The most obvious way of doing that is to ensure that, if someone is elected to a position to set particular policing priorities which are not to the public's liking, the public can get rid of that person. Establishing such a mechanism is vital to supporting public confidence, and public willingness to engage with the policing and criminal justice system.

Confidence is also based on the flow of good information, not just from the public to the police—important though that is—but from the police to the public. As Louise Casey rightly points out in her report, it is important for the public to know when the information that they have given to the police has a positive effect. When they have supplied information—sometimes, as we know, at considerable risk to themselves—they need to be aware that it has resulted in a positive outcome: that arrests have been made or investigations carried out, and that that has had positive consequences.

Confidence can exist only if information is trusted and reliable. The public must be able to believe that what they are being told is accurate and comprehensive. We need not go back too many days or weeks to see that the public's confidence in crime statistics has been severely dented, although it could be questioned whether it was ever very high in the first place. As has already been said, it is important for crime statistics to come from a trusted, independent source, so that we can all have confidence in them.

Confidence in crime statistics is also linked to a more general confidence in the policing and criminal justice system. That is demonstrated by the vicious downward spiral that sometimes results when those who do not trust the crime statistics do not report offences because they do not believe that their reports will be acted on effectively, and then, of course, trust the statistics even less: because they know from personal experience that some crimes are not reported, they conclude that the statistics cannot possibly be an accurate and comprehensive reflection of the level of crime in their communities.

Public confidence is not just about the way in which the police respond to crime; it is also about the way in which the criminal justice system responds to crime and those who commit it. If we are discussing public engagement in fighting crime, we must take account of ways in which the public engage with the criminal justice system as well as ways in which they engage with the police.

Public engagement is vital in the context of the criminal justice system. The most obvious example is when members of the public serve as jurors in criminal trials. I declare an interest, as one who practised as a criminal barrister for some years in the west midlands. I saw a great number of juries during that time, and gained a huge amount of respect both for the institution and for the people who served as jurors in the criminal cases that I tried. It seems to me that the jury system is the practical and direct application of common sense in the criminal justice system.

One would hope that all those who have served as jurors have slightly more confidence in the criminal justice system, and are slightly more reassured that it operates to defend their interests. That confidence should not be undermined by anything that we do, or by anything that the Government do. The Government talk of cases that it is not suitable for a jury to try: cases that are beyond the capacity of jurors, such as serious fraud cases. I have tried such cases with juries who have reached conclusions identical to those that the judge has said that he would have reached on each and every count.

If we proceed down the Government's line, we cannot be surprised when the public say "In that case, you do not have as much confidence in the jury system as you say you do." The jury system is the right way in which to try criminal cases. If a jury has difficulty in understanding a case, that is probably the fault of the advocates and not the fault of the jury. It is important that we maintain our confidence in the system, so that the public can engage with it and have confidence in it themselves. Once the jury has done its job, however, and there is a conviction where appropriate, we must move on to consider sentencing, which is crucial to public confidence in the system. It is perfectly true that the public do not often believe that sentencing decisions are right, but the Minister was also correct to say that in many instances the public have not seen the whole of the case—how could they have done? Public interest in sentencing is always legitimate, but, given that they will not have heard all the evidence and mitigation, public outrage—often aided and abetted by the tabloid press—is not always appropriate. We must draw that distinction.

Judges have a difficult job to do in every case. They have to weigh up different factors on both sides of the argument and make a sensible decision as to what appropriate sentence should result. I appreciate that the Government will not take up every recommendation in Louise Casey's report, but may I counsel the Minister against proposal 17? It refers to situations in which a judge who wishes to pass a community punishment order first asks for a pre-sentence report to assess suitability to carry out such work. Louise Casey's concern is that such a delay is very seldom necessary, and that the judge should be able to say straight away, "A community punishment order is what is necessary, so let's have one; we don't need a report." The only cautionary note I would sound on that is that pre-sentence reports are used for a variety of purposes, and it is right that judges should have all the facts available to them before they pass sentence. One of those facts may be whether it is unsuitable for the defendant to carry out community punishment because of a physical disability or illness, but pre-sentence reports also address many other considerations, and I hope the Government would do nothing to restrict the amount of information the judge has before passing an appropriate sentence.

If the public are to have confidence in the system, it is right for them to expect the judge to take everything of relevance into account, including the views of the victim and the victim's family, but while I support that concept, there is, again, something that troubles me. That information is gathered from a victim impact statement, which allows

[Jeremy Wright]

the victim—or their family where, sadly, they are no longer available to give their views—to explain to the judge the impact the offence has had on them, the wider community, and their friends and family. Although I commend the intention, I do not believe that sentencing should be carried out on the basis of how much a particular offence has affected those who remain behind, because let us consider the most extreme cases. The family of a murder victim may well put forward a very cogent, coherent, moving, emotional response on how a murder has affected them—and they should be able to do so—but we cannot, just because the family have put forward that case, assess that murder as being more serious than a murder where there is no family, and there are no friends and no wider community who came into contact with the victim, and therefore there is no victim impact statement. While I entirely understand the necessity of the public, and the subset of the public most directly affected by a criminal offence, engaging with the process in this way, I am concerned that by doing this we will start to move away from the vital principle that what is most important is not the public's reaction to the offence, but the criminality of the offender, along with that offender's particular circumstances and the circumstances of the offence.

The Government must also be careful about their intervention in sentencing. Yes, the public will expect the Government to set a sentencing framework, but they will have confidence in the Government's ability to help fight crime and run a sensible and responsive criminal justice system only if the Government set an adequate sentencing framework. However, there is a difference between setting a framework and appearing to intervene in individual sentencing decisions. Public confidence in the system is undermined if what appears to be happening is that the Home Secretary or the Lord Chancellor is writing to judges saying, "Because we've got a problem with prison capacity, I don't think you ought to be sending too many people to prison." That is precisely the kind of intervention that undermines public confidence in the system and leads the public to say, "I am not engaging with this at all. If the Government cannot respond to a need for prison places, when, frankly, they were told a long time ago that there was a need for them, I do not have confidence in that system". Governments, of whatever political colour, have got to be careful to set the proper sentencing framework, but not to appear to intervene in individual sentencing decisions.

What is absolutely legitimate in the context of this debate is for the public to expect that sentencing, of whatever type, constitutes proper punishment. We have talked a little about community punishment orders. As I said in an intervention on the hon. Member for Eastleigh, it is entirely appropriate that the public should understand clearly what is done as part and parcel of a community punishment order, that they should see that it is real punishment, and that they should have some understanding of the result of it—of what has been achieved on behalf of the community receiving some form of recompense from the offender.

I support a great deal of what is in Louise Casey's report and in the Green Paper, which is designed to achieve that effect. However, on prison sentences there are important points to be made about the balance between punishment and rehabilitation, and whether the two need to be mutually exclusive. In my view, they do not. I think it right that the first objective of a prison sentence is to protect the public; it is neither punishment nor rehabilitation. The point of a prison sentence—the first objective—is to take someone whom a judge believes to be dangerous to the public out of the public's way and put them behind bars, so that they can do no harm for the duration of their imprisonment. The second objective is certainly to punish, and to deter others from committing a similar offence, but there is also an objective of rehabilitation—of preventing that offender from leaving prison and committing further offences. That is absolutely necessary, and most people in this country would say that that is a proper objective for a prison sentence.

What I have never understood is why it appears to some to be mutually exclusive to punish and to rehabilitate. In my view, both can be done at once. One of the best examples of this is an area in which we need to improve our prison system: the effort of educating and training those in prison with inadequate skills and qualifications, to make absolutely sure that when they come out, they have no excuse for not earning a law-abiding living. Why can we not educate and train those people better? If we do do that, let us remember that for a lot of these individuals, the one part of their life that they hated most was when they had to go to school and learn, so it will be punishment for them to have to learn, be educated and gain skills. No one should imagine that a properly run system of educating offenders is anything other than punishment, as well as rehabilitation.

In many ways, what I have been talking about in the context of public engagement in and confidence in fighting crime—engagement with the police and with the criminal justice system—is all far too late. The best type of public engagement in fighting crime happens before either of those two stages, and well before the offender knows that he is an offender. The best type of public engagement in fighting crime is that which takes place when educating people in school, be it a parent, a teacher, a governor of a school or a local education authority. We know about the well-trodden path from truancy to crime. If people can be kept in education and engaged, they are less likely to become criminals. So if we want the public to engage in the fight against crime, we should not wait until we have to call the police. We should encourage such people in what they do in education and in the voluntary sector.

I return to the point that I made in intervening on the Minister. If we want to fight crime effectively, we have got to allow people to work in youth clubs and to encourage them to help with young people's clubs of all kinds. The people who do such work, and are good at it, are also good at lots of other things, and their time is limited. They do not want to spend a large proportion of that time wading through paperwork; they want to spend it helping young people. What the Government can do, but have not yet done to my satisfaction or, I am sure, to theirs, is ensure that such people face no barriers to helping young people in that way.

That means that we must cut back on the amount of paperwork. I understand that paperwork is necessary on one level—to keep our children safe—but it is becoming overly burdensome and repetitive. I do not want any more of my constituents to say to me, "I am employed

at a young offenders institution and, thus, have a high level of clearance for working with young people, but I have to get a separate Criminal Records Bureau check to help the scouts on a Thursday night." Such a situation is ridiculous. It means that fewer and fewer people will come forward to do this valuable work, and thus our efforts at fighting crime and engaging the public in fighting crime will be impeded. My final plea to the Minister is to ensure that members of the public who are keen to fight crime and engage in that process are encouraged to do so, not only when they contact the police or serve on a jury, but before that, when they help to ensure that there is not a problem in the first place.

4.21 pm

David T.C. Davies (Monmouth) (Con): I am delighted to take on the role of nice cop this afternoon, as it is a Thursday and the political mantle of Bodie and Doyle has been taken by my colleagues on the Front Bench; I have had to opt for being Dixon of Dock Green instead, just for this afternoon.

In that mode, I thank the Government for highlighting special constables week. I do not know whether I need to declare an interest as a special constable, because I do not claim any expenses for that work, but I make it clear that I am one and have served for 16 hours a month for the past two years. The letter that came from the Home Office asking us to support specials this week was timely and apt, so I offer my support. In keeping with the general tone that we have adopted this Thursday afternoon, I shall say the words that will probably strike fear into the Minister's heart: I have a wonderful idea. Those words always strike fear into my heart when someone comes to my surgery and says them.

In fact, I have three wonderful ideas for the Minister. They should not cost a lot, and I offer them in the spirit of general bipartisanship. The first relates to the special constabulary, which is a great story; it is a win for all concerned, because the special constables provide cost-effective policing—it is not policing on the cheap. That is a good thing for Ministers and for the public. When a special constable gets their warrant card, he or she is a police officer for 24 hours a day, rather than just for the eight hours a fortnight to which they sign up. Every special constable, like every police officer, will be able to relate anecdotes of when they have put that card to good use as they were out and about as members of the public.

The arrangement is also very good for the reservists themselves. We do not make enough of the skills that people develop, which are very useful for whatever they do in their careers. One such skill is dealing with very angry people. All of us encounter such people in our surgeries, and sometimes even in the Whips Office—that does not apply to me, because the person in charge of whipping me is sitting close by and I have never, as yet, had to use my policing skills to defuse an angry situation with him.

There is a great deal to be gained from the special constabulary for all concerned. My concern is that we do not do enough to promote special constables or to encourage people to join and then to stay. That brings me to the slightly thorny issue of pay, which has been discussed. Even among the police forces and special constables there are mixed feelings about it. I wish to make a suggestion to the Minister, because I do not think there is any point paying special constables until they have gained independent patrol status.

As the Minister will know, the usual process is that one undertakes about eight weekends of training—16 days—and is then given a warrant card, but one is not then allowed to patrol on one's own; instead, one goes out with an experienced officer, usually a regular police officer or a trainer. The process of gaining independence usually takes about one to two years. I have gone through that process, and I did not feel that I was that much use to the police until I had gained independent patrol status. Obviously, there were occasions when I was useful, but at all times the police force had to ensure that there was a regular constable with me when I was a probationer. To a certain extent, therefore, I question how useful I was.

When special constables gain independent patrol status, which took me about a year, they have various experiences and realise that there is some excitement to the job—special constables do some front-line policing—but that there is also a lot of paperwork, boredom and so on. As the Minister knows, one problem is that many people leave after about two years—just as they become useful. At that point, therefore, we ought to consider payment.

Special constables welcome the flexibility of being a special constable. If there is a one-line Whip, I can, and very often do, go and police my area for four to six hours. However, how much value do I add when I decide, on the spur of the moment, to go and patrol a couple of areas? Sometimes it can be a great deal, but other times not—it depends on what happens. Any system of payment should be based around whether an inspector or senior officer needs extra officers on a particular day. For example, if an inspector knows that a big football match, carnival or something else is coming up that requires large numbers of police officers, they should send e-mails to those concerned and have the flexibility to pay anyone who has gained independent status. That would work for both special constables and the police force.

The Minister might be aware of something called employment support and policing, which is a brilliant idea being pioneered in the Metropolitan police by two unsung heroes, Neil Barrett and Adam Hunter. They looked at what happens in the Territorial Army, where often major employers support their employees in signing up as TA soldiers and pay them while they do their soldiering. Neil Barrett and Adam Hunter decided to pioneer something similar in the Metropolitan police. However, they have taken it further: for example, major shopping chains can allow their employees to do their two days a month to earn their warrant card, after which they tend to police shopping centres.

Bus companies are doing the same with bus drivers: while people are being paid as bus drivers, they can work two shifts a month as police officers. In effect, therefore, they get paid for doing something different from their normal job. They have their warrant card with them 24 hours a day—even when doing their normal job—and can use it if they wish, although obviously that it is up to them. They can use it to intervene directly in a situation or to make a telephone call, and act as an expert witness later. I am sure that Ministers are aware of that very good idea. Will they consider rolling it out more widely?

[David T.C. Davies]

My next point is about police community support officers. I felt about them how I felt about the Welsh Assembly—at first, I was not a great fan and could not see the point of them, but now I accept that they are there to stay, so we should make the best of them. I pay tribute to the PCSOs in Monmouthshire, one of whom, Darran Grady, might receive a reward next week at the police review dinner. I understand that a Minister will be present at that dinner and, if possible, I would like to introduce them to Darran Grady. He has done some outstanding work in my constituency, and is one of many very hardworking and active PCSOs.

PCSOs could be much more effective, however, if we gave them warrant cards. Arguments have been made for and against that idea, so I shall rehearse the situation as I see it. Within the police family are, first, the police officers—the front-line constables—whose job it is to arrest people if they see offences being committed, and their presence also reassures the public. However, they also investigate offences before carrying out those arrests, which is a side that we do not often see or think about.

The job of special constables is to go out with front-line police officers, reassuring the public and carrying out arrests, if they see offences taking place. The job of PCSOs is to gain intelligence and talk to the public to get information about where crimes might occur and who might be responsible for them. They also support police officers when they make arrests. One problem for PCSOs is that some people wrongly call them "plastic police officers", and that is because they do not have the power of arrest. That ought to be changed, as a PCSO who is out on the streets is likely to have undergone two or there months more training than a special constable who has gained independent status. For the life of me, I cannot see why it should not be possible to give PCSOs warrant cards and allow them to make an arrest if they see an offence being committed.

However, I am becoming a convert and believe that PCSOs are carrying out their present role reasonably well. I do not think that they should be taken away from that role, but sometimes people see the uniform worn by a police officer or a PCSO and start to misbehave. I think PCSOs would have much more authority if, instead of detaining a person for 30 minutes and calling for back-up, they were able to produce a warrant card and make an arrest immediately. I appreciate that their job is to be out and about on the streets reassuring the public, but people would be even more reassured if they knew that a PCSO was able to arrest a person committing an offence, bring them before a custody sergeant and ensure that they were properly charged. I do not think that there is any reason why the PCSOs whom I know would not be capable of doing that, and of doing it extremely well.

My third suggestion to the Minister would not cost a penny—I am being very responsible about such things—as all it involves is a change to the section 1 of the Police and Criminal Evidence Act 1984, which deals with searches. One of the biggest frustrations for me in my limited experience of the past two years has occurred when I have stopped people for committing minor offences. I am talking about such things as begging in tube stations, or ticket evasion: they would not normally lead to an arrest, because it would clog up the system if everyone who committed a minor offence was taken before a custody sergeant.

However, one of the first things that officers do when faced with a minor offence is to run a check on the police national computer. In that way, they can find out who the person is, and what potential danger they might pose to the police or members of the public. More often than not, people stopped for minor offences will be known to the police for more serious ones. That happens very often, and I could give specific examples of people who have been stopped for minor offences turning out to have recent convictions for carrying knives or even guns, or for dealing drugs.

If a person is found to have a recent conviction, I think that it is reasonable for an officer to want to carry out some sort of search—not an invasive, full-body search, but an airport-style pat down. However, section 1 of PACE does not allow a search to be carried out unless there is evidence that the person involved is carrying a weapon or drugs at that particular moment. Very often, there is no such evidence.

Some police officers try and get around the rules in one way or another, and they often get away with doing so. I wish them the very best of luck, but officers should not have to be inventive in their use of PACE. When a person with a conviction in, for example, the last six or 12 months or two years is stopped while committing an offence—and I am not talking about when they are just pulled up in the street—the police officer involved ought to be able undertake a quick search. A very quick change to PACE would enable that to happen.

I had not intended to mention it, but I should like to add that I think that it would be very useful if the rules governing the citizen's arrest could be clarified. I am not clear what the present rules are, but I believe that many more people would be willing to intervene if they knew what the definition of the word "reasonable" actually was.

I have spoken on many occasions in the past about the inadequacy of prison and community sentences. I have described how police officers spend so much time chasing after the same small number of criminals, all of whom are known to them. I do not intend to go any further into that today, save to make a final observation about sentencing. It often happens that I read in the newspaper that a lawyer with a client about to be sentenced has said, "Please, m'lud, he's had a terrible upbringing. It's not his fault, please be lenient on him." My response is that the judge should not hand down a community sentence but should send the offender to prison. That is when I will know that community sentences are working, and I look forward to that.

4.34 pm

Angela Watkinson (Upminster) (Con): I would like to concentrate on one particular aspect of public engagement in fighting crime, namely antisocial behaviour crime. With such crime, "public engagement" means not the involvement of a random member of the public, but the engagement of the victims of that crime; they are very often the immediate or near neighbours of those committing the crime. It takes a great deal of courage for those people to become engaged in fighting that crime. They

often suffer in silence for a long time before they take courage, their patience finally snaps, and they start to report it.

I want to stress the very long period that it takes to resolve antisocial behaviour crime. That is because it involves the collection of evidence, which is a long-term procedure, and co-operation between the local authority, the police and the individuals concerned. It takes an enormous amount of evidence to build up a case that can be brought to court, and to secure a conviction. During that period, there is always the fear of reprisals from the perpetrators of the crime if it is discovered that the victims are making reports. It is difficult for people to stand up to the fear of intimidation, and the aggressive and intimidating behaviour. They need to have confidence in the police response, and in the police's capacity to protect them while the procedure is under way.

I want to use one case to illustrate my point. It is typical of a number of cases that I have been informed about. It would not surprise me to learn that other hon. Members had come across similar cases. I have a very large file on the case in question. It illustrates how one family can make a misery of a number of people's lives. The Minister for Security, Counter-Terrorism, Crime and Policing made that very point in his opening remarks.

I shall start by reading parts of letters that I have received from people who have been the victims of one family's antisocial behaviour. The first letter is dated July 2008, but the problem predates that; it actually affected the previous tenants of the property referred to in the letter, who were driven out. Homes in Havering is the arm's length management organisation that deals with housing in my borough, and the letter says:

"Homes in Havering have been dealing with this case for some three years. The levels of ASB"—

that is, antisocial behaviour—

"to date have been three threats to kill me, throwing bricks at my flat, verbal abuse etc.

Homes in Havering managed to have separate injunctions served on the tenant this March along with her Partner, both injunctions have a power of arrest attached to them. He was barred from the property and was not permitted within the road or adjacent roads. She was not allowed to use abusive language and was not allowed to let her ex partner back into her flat.

Well the injunctions have been breached and very little seems to get done. Early June I had to call 999 as I and other neighbours could hear her beating one of her children. The police came arrested her, the kids were taken from her. Nine days later she is back with the kids...The injunctions were again recently broken when he"—

the partner—

"returned to the property, the Police were called but he managed to escape through the back gardens. The Police told us they were going to arrest him later...and come back for her tomorrow once they have alerted Social services...My life has been hell for the last two years, I have been in fear of my life, not knowing if I would be attacked whilst opening my door.

I just feel like giving up, the law just does not protect innocent people."

Neighbour No. 2, who is suffering at the hands of the same family, says:

"We have had to endure the constant disturbances...I eventually brought it to the attention of Social Services when I witnessed violent behaviour towards the children...I then resorted to calling the Police on many occasions when I again witnessed violence between"

the tenant

"and her partner...these bouts of violence included the children...The language was appalling and as the children have got older they now join in.

To cut a long story short we got in touch with the ASBO officer and Havering Council and since then have spent the last two years calling the Police, making statements, going to court...and signing Affidavits. Unfortunately, the Judge's decision to place an injunction with the power of arrest on both of them have proved a complete waste of time. They have both breached the injunction on more than one occasion".

The letter says that the partner

"still comes and goes even though he is banned from the property...but the Police still do not arrest him."

The neighbour says that they

"even got a video of him scaling the garden wall...The neighbours"

on

"the other side...have moved out and gone to live with inlaws as they could not stand it anymore...I am fed up with hearing about more money being given to reduce Anti Social Behaviour...I am writing to you out of desperation, please tell me where I go from here."

A third neighbour who is involved in the same case, which has been going on since 2003, says in an e-mail:

"It was only a few days in to our time—

at their address—

"did we realize we had a problem. The disruption and the turmoil to our lives has reigned ever since.

There has been a succession of ASB personnel...trying to deal with these people.... Social Services have documentation... a yard deep"

to deal with all the problems. The neighbour continues, saying that they have

"lost faith in law and order and agree that, after being involved either myself or family members in two world wars, that we now live in broken Britain."

Homes in Havering has worked closely with the victims of those crimes and with the police, and it has been to court on numerous occasions. My point is that a long period elapses between the antisocial behaviour first occurring—the victim first reporting it, their having to keep diaries of what happens and maintain contact with the police until sufficient evidence has been amassed to take the case to court, and their waiting for a court case—and, for one reason or another, no conviction or prosecution being secured. Sometimes, the accused do not turn up and the case has to be adjourned or, for numerous reasons, there has to be another court case. The case that I have described has been going on for five years and has involved a variety of people.

The victims of such antisocial behaviour crimes are losing faith in the system and in the police. However, in defence of Havering police, I must say that they do suffer—I used the word advisedly—from being a low-crime borough when compared with many inner-London boroughs, so when the Metropolitan police force resource allocation formula is calculated, Havering police are pretty much at the end of queue in respect of the number of additional police constables that they receive. Local people are not very receptive to the argument that other boroughs have more crime than they do; the crime that affects them is important to them, and Havering police are stretched, so they are not always able to react as they would wish.

Mr. Coaker: All of us listening to the individual cases that the hon. Lady has outlined will feel that that situation is not acceptable. I do not know what has happened, but there appears to be a problem. If it is helpful, I shall meet her and talk to her about those cases, and we will see whether we can doing something about it.

Angela Watkinson: I am grateful to the Minister for his kind offer, but it might—just might—not be necessary, because there was a hearing today, and I see that it is past 4 o'clock, so the court will have closed. I do not know the result of the hearing, but, fingers, eyes and toes all crossed, we may have had a successful result today.

Mr. Coaker: I hope so.

Angela Watkinson: As, indeed, do I. I am waiting to hear the outcome from my main correspondent, and I hope that justice has been done.

The antisocial behaviour of one family can affect a large number of people and make their daily lives a misery, because they are unable to go about their ordinary, law-abiding business or to conduct their lives in any way that we would consider normal. The inordinate length of time that it takes to deal with such cases is wrong, but I do hope—I think I am going to find out very soon—that this case has been resolved.

4.44 pm

Tony Baldry (Banbury) (Con): Let us hope that the case discussed by my hon. Friend the Member for Upminster (Angela Watkinson) is resolved satisfactorily. I am sure that any district judge would be appalled if they made an injunction with an arrest order which was regularly breached without being brought back before them so that they could deal with the case appropriately.

During the parliamentary recess, I spent time with Thames Valley police as part of the police parliamentary scheme. Colleagues may know that it is analogous to the armed forces parliamentary scheme. Members spend 20 days with a police force and see different aspects of how the police work. For me, the experience highlighted the complexity of policing in the 21st century and the considerable professionalism of Thames Valley police.

I have now been a Member for 25 years and know that the only police officers most Members get to meet are the chief constable and area commander. The Thames Valley chief constable usually asks us to exhort Ministers to deal with the outflow of police officers from Thames Valley to the Met, and our area commanders always want to tell us—probably with good justification—that everything is okay on our patch.

The police parliamentary scheme provides the opportunity for Members to talk to other officers, police constables and sergeants and gives them the opportunity to talk to us. One spends some days with a specialist department and others on beat patrol on early and late shifts. I did mine at Cowley police station in Oxford. It is worth while sharing with the House my impressions from my 20-day experience.

First, it struck me that far too many people caught up in the criminal justice system should be treated by the NHS as mental health patients. If I have the misfortune to break my leg in the street, I will be taken immediately to a local hospital with an accident and emergency department where I will be treated unconditionally by the NHS. However, if I were to go out into the street and behave abnormally because of mental health problems, it appears that my admittance into NHS mental health treatment would be entirely conditional on whether the relevant mental health trust decided to treat me.

Let me give one practical example. On one of the early shifts that I joined at Cowley police station, there was a young female overseas student who was threatening to commit suicide. Obviously, she was in a very emotional and distressed state and needed professional support. The local mental health trust refused to help her. As a consequence, the police were obliged to take her to a place of safety—which, in reality, meant the cells at St. Aldate's in Oxford. A police officer had to be taken out of the shift and spend all day looking after her. Given that the shift comprised just seven police constables for the whole city of Oxford, losing one was not insignificant.

Let us think of the situation from the perspective of the young woman: there she was, in a foreign country, very unhappy and seriously contemplating suicide, finding herself—as she would see it—arrested and put in a police cell. That does not seem an appropriate place for her, and nor does looking after her seem an appropriate use of a police officer's time. I am told that the mental health trust refuses to treat anyone who is under the influence of drugs or alcohol, but people with mental health problems often also have problems with drink or drugs; I suspect that the two often mutually reinforce each other. It is extraordinary that we have got to a situation in which one part of the NHS decides whether it wants to treat patients. I fully appreciate that resources at mental health trusts are tight, but it would be better if there were a frank discussion about the mental health treatment of the community rather than people being caught up in the criminal justice system simply because the NHS cannot cope.

That brings me to alcohol and drug abuse. A large amount of police officers' time seems to be spent on dealing with people who are committing criminal acts in order to find the money to meet a dependency on drugs or alcohol, whether it is the heroin addict who needs £60 a day or the alcoholic stealing a £5 bottle of wine from the Co-op in Jericho. If I had known how much paperwork goes into sorting out the latter, I would have given that person the £5 myself. It took two police officers four hours to do that paperwork, which is crazy. These persistent offenders place disproportionate demands on the police service.

I appreciate that there are no easy answers as regards drug or alcohol treatment and that for it to work there must be a degree of buy-in by the person concerned. However, I am sure that money spent on initiatives such as Smart CJS in Oxfordshire is money well spent. We should be doing more to see how we can improve alcohol and drug treatment, not least because if we could help people to get off drug or alcohol dependency we would substantially reduce the reoffending rate. If all the people with serious mental health problems and substance abuse issues were taken out of local community prisons such as Bullingdon in my constituency, there would be comparatively few left.

My impression is that funding of organisations such as Smart CJS is something of a lottery, probably due largely to Whitehall problems of how spending is allocated. Does money spent on drug and alcohol abuse come from the budget of the Department of Health, or is it money that will help to reduce reoffending and should therefore come from the Home Office budget? Wherever it comes from, in terms of the effectiveness of public spending overall it must make sense to try to reduce reoffending. We will not reduce the volume of reoffending by those with drug and alcohol problems unless we help them to resolve those problems.

Another thing that struck me during my time on shifts with the police in Cowley was that a small but growing number of persistent young offenders are committing a disproportionately large number of offences. One young teenager in Oxford seemed to commit burglaries in the city on a daily basis. We should bear in mind all the associated stress that is caused by such offences. For people such as that teenager, antisocial behaviour orders and community sentences appear not to be working.

I recognise that over the years there was much criticism of detention centres and borstals, but there are few fundamental principles involved. The community is entitled to be protected against persistent offenders irrespective of their age. Persistent young offenders need to understand that continuing to offend will result in punishment, which must ultimately mean curtailment of their liberty. Given that these youngsters have a whole range of other problems at home and elsewhere, it may well be in their interests to put them in an environment where they can get some decent schooling and learn some life skills. The present system of youth justice is not dealing with persistent young offenders, of whom there are a worryingly growing number, on any statistical analysis. I am not sure whether that is dealt with by the youth crime action plan.

I also noticed the growing and worrying trend of youth-on-youth violence, which usually involves a gang of youngsters preying on other youngsters for their mobile telephones, cash, watches, and so on. These are really nasty offences, with youngsters often being attacked in public parks where they have gone to play. That is very distressing for the youngsters and for their parents. Increasingly, an element of violence is used in these crimes. They are classified as robberies, so statistically the number of robberies in areas such as Oxford go up, although much of it is youth-on-youth crime. Tragically, for far too many young people, particularly in cities such as Oxford and other urban areas, violence or the fear of violence is becoming an everyday occurrence. That is wholly unacceptable.

In Oxford there is the added dimension of groups of local youths attacking foreign students, which can only be very damaging to the reputation of Oxford as a place of learning and to Britain's reputation abroad. Such crimes are difficult to detect. Even if the police react immediately to allegations of robbery, by the time they get to the park or street concerned, those involved will have run off. I would have thought that neighbourhood action groups, schools, communities and local police working together would have an interest in identifying ringleaders and making it clear that such behaviour will not be tolerated.

If I had not seen the paperwork that the police have to deal with, I would not have believed it. I am no stranger to the criminal justice system: like my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright), I began my practice at the Bar, some 35 years ago on the midland and Oxford circuit, both prosecuting and defending. We have got ourselves into an Alice in Wonderland situation where police officers, particularly beat officers, feel under pressure to meet certain targets, but to do so they need to spend a disproportionate amount of time completing paperwork. In this target-driven culture, issuing a fixed penalty ticket for antisocial behaviour in Bonn square, in the centre of Oxford, gives a police officer as many points as detecting and making a successful arrest of someone who has committed an offence such as grievous bodily harm. An offence that almost certainly would be taken into consideration involves as much paperwork as one that would be the subject of a contested case in the Crown court. All sense of proportion seems to have gone out of the window.

There is a great risk of looking at the years of one's youth through somewhat rose-tinted spectacles, but my recollection is that in the days when Thames Valley police officers prosecuted cases in the magistrates court those courts were run efficiently, and the prosecution quite rightly secured a significant number of convictions without an ever-increasing mountain of paperwork. It is difficult to find anyone who can explain how this collective insanity started, or what public mischief it was meant to tackle, but I cannot believe that any objective observer thinks that it has improved the efficiency or the effectiveness of the police. I hope that on day one of any new Administration it will be possible for an incoming Home Secretary to announce the setting up of an inquiry under the leadership of someone such as Lord Stevens on how seriously to reduce police paperwork.

Jeremy Wright: I wonder whether my hon. Friend would agree, based on his experience of criminal practice—and I ask him this based on my experience—that the mystifying thing about paperwork is that there are seven, eight, nine or 10 forms for a police officer to fill in, but no more than one or two find their way to the criminal prosecutor whose job it is to secure a conviction. Does he wonder, as I do, what happens to the rest of them?

Tony Baldry: There seems to be a collective insanity, and no one knows where it started, its purpose or what it is achieving. Police officers feel increasingly that their integrity, effectiveness and efficiency is somehow being challenged and questioned for reasons they know not what. Understandably, they feel frustrated that their discretion has been taken away.

It is no longer possible for police officers to decide whether a crime has been committed. I shall give the House one example. A new word has entered the English dictionary—something has been "crimed". People get pretty savvy and they have worked out that if they telephone and complain that their neighbour is playing their television too loudly, the police are likely to refer them to the environmental health department of the local authority. However, if they telephone and allege that their neighbours are involved in a serious domestic incident, the police respond immediately.

[Tony Baldry]

One evening, we went to a house in Oxford where it was alleged that the husband was attacking his wife. That had been "crimed" as a domestic attack; the controller, or someone else, had already determined that a crime had taken place. When we got to the house, it was perfectly plain that no crime had been committed. The wife was downstairs and the husband, sadly, was upstairs watching Manchester United playing football. Even sadder, he was wearing his Manchester United strip. The only noise was him cheering loudly at the television. Clearly, that was not a domestic violence incident, but it took the police officers almost as much time and paperwork to get it "de-crimed" as it would have taken if they had arrested someone and taken them to St. Aldate's police station for committing an offence. It is crazy when police officers do not have the discretion to determine whether an offence has been committed.

If we have policing by consent and the overwhelming majority of the public trust the integrity of police officers, as I believe they do, then it is clear that people are willing to trust police officers' ability to exercise their discretion rather than having policing controlled by Home Office-driven targets. Moreover, having spent 20 days with Thames Valley police and seen how things are "crimed" or not "crimed", one's confidence in police statistics is undermined. One feels that the controllers are often obliged to "crime" things to tick boxes rather than because crimes have been committed. What confidence can one place in national crime statistics?

I was grateful to the Minister for Security, Counter-Terrorism, Crime and Policing for kindly coming to my constituency to see neighbourhood policing in Bicester. It is an excellent example of neighbourhood policing, with sworn officers, PCSOs and street wardens working together. As I have made clear in debates in Westminster Hall, neighbourhood policing, especially in my part of the world, is impressive. However, it largely depends on police officers who are allocated to neighbourhood policing teams not being taken away for other duties or having to cover shifts in their local police stations. It is understandably frustrating for local residents to have the benefit of a neighbourhood police officer for some time, only for him or her to disappear because they are taken away for other duties.

Neighbourhood policing also requires good leadership and grip to ensure the maximum synergy between sworn officers, PCSOs and street wardens.

Keith Vaz: I am sorry to have missed the beginning of the hon. Gentleman's remarks and he may have covered the point already, but does he agree that visibility is important? Not only synergy between the beat officer and the local community but seeing police officers and PCSOs out and about is important. People can then see that something is happening locally.

Tony Baldry: Absolutely. Police officers and PCSOs visibly out and about together is reassuring and good news. However, it is frustrating for local communities if the sworn officer gets taken away to do other things. For a while, local residents see neighbourhood police officers, but then they disappear. That is confusing. Neighbourhood police officers should be ring-fenced for that activity and not extracted for other purposes.

I am worried about whether local councillors and local people have sufficiently bought in to neighbourhood action groups. We have heard much about the involvement of local people in electing those who might be responsible for holding chief constables and others to account. However, we now have neighbourhood action groups, and I visited those in my constituency, as I am sure other hon. Members have done in their constituencies. They work well and bring all the statutory agencies together. However, although there were some good and dedicated volunteers and members of the local community, there were not as many as I had hoped, and not enough to make one feel that it was a genuine neighbourhood body.

Part of the problem is that neighbourhood policing areas have to cover quite large areas, by definition. For example, one neighbourhood policing area in Banbury covers three wards of the town. The reality, however, is that councillors and local residents tend to think of neighbourhoods as much smaller areas. Indeed, the Chairman of the Home Affairs Committee, the right hon. Member for Leicester, East, said that the key was for people to be neighbours to one another. However, I am quite sure that people in Leicester do not consider their neighbourhood to be the equivalent of three wards of the city. They consider their neighbourhood to be, if I may use a parliamentary term, their local polling district equivalent or part of their housing estate at most. The neighbourhood action group areas are perhaps too large. If neighbourhood action groups are to mean more than the local representation of local statutory agencies, they will need to engage a lot more local people in their running.

That leads me to my final point, which is about partnerships more broadly. I can see obvious strengths in partnerships. Many issues, such as alcohol and drug dependency, to which I have already referred, involve a number of different Departments and agencies. The work done by the safer community partnership in Oxfordshire, in bringing together the county council, district councils, the Thames Valley police and a number of agencies, is impressive and worth while. However, I have two concerns about partnerships. The first is a somewhat cynical, world-weary concern that Whitehall can use them as a device to blur which Department is responsible for the cost of delivering various public services. If we are not careful, the default position is for such costs to fall on local authorities. Partnerships then become a way for central Government to shift financial burdens on to local government and local taxpayers, but without any compensating mechanisms.

I am also not sure that there is sufficient political buy-in to all partnership arrangements. In other words, I am not convinced that local councillors and local people are always fully aware of all the partnership arrangements. If I had not spent a day with the Oxford safer community partnership, I would have known little of its workings, and I suspect that the same goes for other parliamentary colleagues. My neighbour, the hon. Member for Oxford, West and Abingdon (Dr. Harris), might be more up to speed than me, but there can be a tendency for such initiatives to become officer-led. We are therefore talking about "touch on the tiller" stuff, to do with how we keep local councillors and local people briefed and involved in what is happening in such partnerships. I found my experience with the Thames

Valley police very valuable, however, as it brought to my awareness certain things that I did not expect I would see.

My last point—we still have plenty of time, although I promise my hon. Friend the Member for Romford (Andrew Rosindell) that it really will be my last point—is about hearing from the police. The Police Federation and police officers generally are quite shy about approaching Members of Parliament if they have concerns. They come and tell us about police pay, which is understandable, but they feel constrained about talking to us about operational issues, even though the police parliamentary scheme has given them licence to do that.

Police officers talk to the Police Federation, but the only time that the Police Federation comes and talks to colleagues is to discuss pay and rations. However, there are all sorts of useful operational issues about which the Police Federation can talk to Members of Parliament. I hope that it will do so more, because policing is an incredibly important part of all our constituents' lives. Members of Parliament want it to work successfully and we are all supportive of our local police forces, but we cannot help to sort things out if we do not know when there is a problem. I therefore hope that more police officers will, through the Police Federation, come and talk to Members of Parliament about their concerns.

5.9 pm

Mike Penning (Hemel Hempstead) (Con): It is a pleasure for me to follow my hon. Friend the Member for Banbury (Tony Baldry). I have not taken part in the police parliamentary scheme, but I regularly go out on patrol with members of the Hertfordshire constabulary. I would like to place on record my admiration for the professionalism, skill and bravery of the police in that county, particularly in the Dacorum area.

On Halloween, last Friday night, I patrolled with the special constables in my constituency. The specials are the heart of community policing in this country. They are unpaid, yet dedicated to their community. The special with whom I was serving on Friday night had done 28 years unbroken service as a special in Hertfordshire. We should all try to inspire our constituents to become specials in their communities.

One of the fascinating things about being out on patrol with a special with such experience of his own community was that he did not have a satellite navigation system in his patrol car—he did not need one. He did not need a map, either. He knew the topography of his area—my constituency—like the back of his hand. It was also fantastic that he wanted to get out of his car and walk. He wanted to talk to the young people in particular, on Halloween of all nights, to find out exactly what was going on in the community. I pay tribute this afternoon to the specials. I know that all Members of Parliament were written to by the then Minister of State, asking them to go out with the specials during this time, and I hope that many colleagues from across the House have done so.

I also pay tribute to the many members of the police force in my constituency who are not actually members of the Hertfordshire constabulary, but Metropolitan police officers. My hon. Friend mentioned a particular problem earlier. We train quite a few members of the Metropolitan police in Hertfordshire. We pay for that training, they stay with us for a while, then they disappear because the pay and rations are so much better in the Metropolitan police. I do not blame the constables and sergeants who do that. Some of those who are protecting us here in the House today were formerly community officers in my constituency. That is quite a heavy burden for a small constabulary such as Hertfordshire to bear, however, because it results in our having disproportionately young or short-serving constables in the constituency.

I shall touch on a number of points today. Some might think that the early ones are quite trivial, but, as I get to the end of my short speech, I hope that colleagues will realise just how serious they are. I shall talk first about speed cameras. In a previous life, I was a fireman and I had the honour of being a driver on a rescue tender, so I know that speed kills. I have been all across Essex on the motorways and roads—particularly the minor roads—and I have seen the carnage that can result when young men, in particular, get behind the wheel of a car. It is very sad that there should be such a disproportionately high number of deaths among intelligent young men between the ages of 17 and 25. I am sure that the Minister has looked at the figures. I do not know what happens to young men when they get behind the wheel of a car, although I am sure that I was similar when I was 17. It is frightening to think of the lives that are being wasted.

I praise the projects that have been set up around the country, especially Drive to Survive in the Cheshire area. It is run by the Cheshire fire and rescue service, the other emergency services and the Cheshire education service. It is a wonderful scheme, and it has been driven forward by people who have lost loved ones in this way. That sort of scheme needs to be rolled out across the country.

Speed cameras work only in areas where there is an accident blackspot. That is where they should be. They should not be cash cows. All too often, our constituents make this point is to us. I have been out on patrol with the police when they have said to me, "Why is that camera there, Mr. Penning? Don't you think it should be in another part of your constituency, where we know there are likely to be problems?" I should like to be quite radical. I do not want to get rid of speed cameras altogether but, speaking from experience, I should like to see more cameras at traffic light junctions, particularly in the big cities. More accidents and deaths involving pedestrians, motor cyclists, cyclists and drivers occur at traffic lights these days than in front of most of the speed cameras in this country, although speed cameras have a role to play in preventing such accidents.

Keith Vaz: The hon. Gentleman is making not a trivial point, but a very important one. The Home Affairs Select Committee published a report at the end of last year entitled "A surveillance society?", which pointed to the need for cameras, but said that they need to be in the right place. The number of prosecutions resulting from evidence that comes from cameras is actually quite limited. The hon. Gentleman is right to pursue that point, and I hope that those who have responsibility in these matters will understand it.

Mike Penning: I thank the right hon. Gentleman for those comments; I know that his Committee is looking further into the matter. If cameras are to be placed,

[Mike Penning]

they must be there for a purpose, and that purpose should not be to raise money, but to prevent accidents. The accidents that take place at traffic lights are commonly known as "unprotected accidents", when someone is not at all ready for the impact that is going to happen. It is a serious matter and we have only to set foot outside this place and into Parliament square to see traffic lights regularly being jumped. It is not just one particular sort of driver who does it; it is an almost accepted occurrence nowadays. We have to prevent that.

I also want to speak briefly about the Criminal Records Bureau, and I hope that the Minister will give me some of his time in future to discuss how it operates. I have constituents who have not been convicted of any offence, but malicious allegations have been made against them. When looked into, these people are found to be completely innocent, yet when an advanced check is done, it is found that the accusation sits on their record. It cannot be right in a democracy that completely innocent people against whom no accusations have been proved, no charges brought and no criminal prosecution has taken place, should have their lives blighted through a mechanism that is supposed to be there to protect them. I understand why it is there, but it is being abused.

I believe that the abuse comes from chief constables, who have the power to remove these sorts of record, but do not do so. Perhaps they do not remove them because an element of doubt remains—I guess it is obvious that Huntley provides a good example of what people are so frightened about. I will not mention my constituent's name, but a malicious accusation was made against him, as I said. He moved to another part of the country, found a job in a bus company, but was later told that he would lose his job because of a CRB check that showed he had been accused of an offence. That cannot be right.

I met the chief executive of the Criminal Records Bureau, who told me that he did not have the power to remove items from the checklist. Apparently, the Information Commissioner is the only authority to which people can appeal. That seems ludicrous, when this is happening as a result of legislation brought in by the Home Office to protect people. We MPs have no way of protecting our constituents from it. I understand that the Home Office is currently conducting a review, but I wanted to raise the matter this afternoon as a very important issue that is affecting people's lives. The legislation was designed to protect, but it is actually hindering some people who are entirely innocent.

5.18 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I wish to raise a few points about Greater London policing, particularly about the ability to engage the public in local policing, which obviously applies to my borough of Southwark and my constituency.

We pay tribute to those who are engaged and do their jobs so well. The special constables are often mentioned; they are absolutely meritorious. We hope that many more people will become special constables. All the London boroughs have police and community consultative groups, many of which comprise members of the public who give up their time and energy to volunteer; they do a good job. There are also neighbourhood watch volunteers and many people in the voluntary sector who work in organisations that help to engage with the police. I shall return to some particular examples later, but many work with young people trying to ensure good relations between youth organisations, youth clubs and the police. Some youth workers are out on the street every evening, acting as an interface between a tense situation and the police's dealing with it.

As I said to the hon. Member for Hornchurch (James Brokenshire) earlier, I have always taken the view that when people feel confident enough, they should be encouraged to get involved in public order incidents rather than pull back from them. Sometimes we need to be bold and we have to tell people that they should not do relatively minor things like putting their feet on the seats, breaking the rules in buses or trams or on the tube and so forth. If people see something going on that should not be, they should get involved. Many other Members have done that, as I have.

People who are willing to act often find that the incident is thereby defused. The other night—a Sunday night—there was a great fight going on in Bermondsey, with loads of people milling around and kicking each other, girls as well as boys. Other people were doing nothing. I did not consider that acceptable. I shouted at them all and pulled them apart, and in that way it was ended. Such action is quite easy if people are willing to take it. People must understand that we have a responsibility for policing our own communities alongside the police. The expectation that problems can be solved by a phone call and that the police will arrive in time is often naive. In the case that I have described they arrived well after the event, blue lights blazing, with three or four squad cars. By that time it was all over—the incident had ended long before they arrived. People must be realistic in such circumstances.

Let me reinforce a strong point. There is no excuse, in my book, for a police officer who takes a call from someone reporting a crime not to return to that person within 24 hours, or immediately if need be. The telephone numbers that people are given must be numbers on which someone will answer, and the same applies to e-mail addresses. It is no good saying, "Your neighbourhood team have a mobile phone," if the blessed thing is not answered, or if someone does not deal with the report that is made. The police say that they are receiving more calls. Well, we are all receiving more calls: that is life. We live in a busier world, and that is no excuse. Civilians work for the police, and the public do not mind if a civilian answers the telephone. The same applies to volunteers. If members of the public receive competent, up-to-date, timely, efficient replies, they will find that encouraging, and we need to ensure that it happens.

The introduction of safer neighbourhood teams was proposed by many of us, but was initiated by Ken Livingstone when he was Mayor of London. It is a good system, involving a sergeant, other police officers and community wardens. Far too often, however, we still see police officers patrolling in pairs when they could be patrolling on their own. The truth is that police officers do not talk to the public nearly as often if they are with a colleague; they talk to the colleague all the time. I understand the safety issues and I am not suggesting that police officers should go into dark alleys

alone at night, but we need the police to engage with the public rather than talking to each other. I hope that that cultural change will come about.

I know that the Minister is sympathetic to my views on detached youth workers. Obviously they are not there principally to engage with the police. I believe that every borough in London—the area that I know best—would benefit hugely if the Government helped to finance the provision of enough detached youth workers for each ward, just as we now have police and community support officers in each ward. They are needed to be on the other side of the engagement, as it were—the side of young people rather than the side of the authorities. That money would be hugely well spent. The workers would not need to be statutorily employed—they would not need to be local authority youth workers. They could be employed by the voluntary sector, perhaps by the faith groups. I am convinced that they would add greatly to community safety and to public engagement on the streets of London and elsewhere.

When I last looked at policing in New York, I saw that the New York police department took effective action in engaging local residents to be their eyes and ears. On council estates in New York city, the concierges are residents of the tower blocks. Some are people who have retired early. They have walkie-talkies to link them with the police, and they know exactly who lives in their blocks. If someone comes out with a load of furniture, six television sets and lots of electronic equipment, the concierge will be able to tell immediately that that is not what they are meant to be doing and will get on the phone to the estate-based police. As a result of the work of that fantastic combination, the level of crime fell enormously in the areas of New York that were the most deprived and difficult to police.

I also noted that the police were very versatile. They had pedal bikes, and they were willing to abseil down the tower blocks if that was necessary. That much more flexible approach was combined with a knowledge of the local community eyes and ears: the people behind the curtains. Those people received a small amount of remuneration—some pocket money for helping out and benefiting their community.

The hon. Member for Banbury (Tony Baldry) made some good points about the complexity of all the consultation processes. I think that, along with the Mayor of London, the Minister should examine the organisational structure in London. Every borough has a police and community consultative group, which is a legacy of the Scarman inquiry. In addition, we have safer neighbourhood partnerships, and there are other links between boroughs and the police service. There are too many of them now; the same people go to all of them, and not enough people go to any of them. We need to streamline the process. In Southwark, we have eight community councils. It would be far more logical to have one overarching police and community consultative group, rather than lots of different organisations that are trying to be the link between the local authority, the police and all the other statutory voluntary agencies.

Comparable statistics are valuable, but it often takes a long time to get the police to run systems that are easily comparable ward by ward, local authority by local authority, and police area by police area. They are useful only if they allow comparisons between one authority and another and if they go back far enough, so that we can compare last year and two years ago with the current year.

On accountability, it would be good for the public—and we would have lots of people coming to meetings—if every quarter in every borough, the police commander, the senior judge or senior magistrate and the leader of the council or the councillor responsible for community safety came out and did a public accountability session. Often the council says it is the police's responsibility, and the police say, "Tell the courts that, not me," and the courts say, "It's the police." We need to get them all in the same place at the same time, so that they cannot pass the buck and the public can hold their elected and appointed senior people to account.

There is a debate in London about police station closures. I have always understood the need to keep the location of station houses up to date—people cannot always say that they are in the right place—but the police have to understand that if we are to close police stations with public consent, there must be a police presence where the public are. The best way to have police engagement with the public is to put a police point, shop or centre—or whatever it is called—at the tube station, outside the supermarket, in the shopping centre or on the main route where the buses pass, because the place where people can go and tell the police something needs to be the place where they naturally go on their daily trip to or from work, school or college. If the police can organise themselves so they have a presence where the largest numbers of people are, we will not have nearly as many concerns if a police station is being closed down elsewhere.

The Minister will know that two weeks ago a group of community organisations across the river launched, "Enough! Make Youth Violence History." It was a successful launch, and I have referred to the campaign before. We are hoping that Government will respond positively to the idea of a local organisation saying, "We believe we can make a huge impact in bringing down gun and knife crime, not by having new structures and organisations, but by bringing in volunteers—extra people—to help the existing organisations." There is a website: www.enoughlondon.com. I hope people will volunteer and encourage others to do so, because the answer to these problems lies in the public taking their civic responsibilities seriously. If they do that, and if people with time on their hands volunteer a bit more, we will get public engagement with the police, to the benefit of both, which will lead to a reduction in crime, an increase in safer neighbourhoods and the creation of the better city and country we all wish for.

5.28 pm

Andrew Rosindell (Romford) (Con): We have heard some eloquent and informative speeches from Members in all parts of the House on the important subject of public engagement in fighting crime, not least from my hon. Friend the hon. Member for Hornchurch (James Brokenshire). I am pleased to be able to conclude the debate on behalf of Her Majesty's Opposition.

When faced with tackling crime today, people will naturally turn to the police force, but in Britain there is a long history of community involvement—of people

[Andrew Rosindell]

working together to combat crime. As Members will be aware, the police in the form we know them today are a relatively recent invention. It was the Metropolitan Police Act 1829 that created what we now see as a recognisable police force. Before that, policing was undertaken on a more ad hoc basis, with private individuals, groups and communities funding watchmen to patrol and protect their communities.

Historically, under Anglo-Saxon law it was up to the community to regulate itself—to hold, arrest and often punish criminals. Although we have rightly moved on from that, one can still glean positive elements from that system. After all, at the heart of our laws are the public: laws are made to protect and to be used by the public. Such public involvement needs to be a key feature of how we approach our battle against crime. It is surely right that the public still have a pivotal role to play in helping to protect society and uphold the rule of law. If that is true, it is worrying that recent surveys point to the fact that British citizens are the least likely in Europe to intervene to stop crime. A report by the think-tank Reform concluded that only four in 10 British people would intervene if they saw a group of teenagers committing vandalism.

Why has our nation of have-a-go heroes become so reluctant to intervene on another citizen's behalf? One of the biggest fears is not that they will get hurt, which must be noted- -it is still a serious concern—but that they will end up being arrested themselves. Clearly, that is not right. This is obviously a significant obstacle to encouraging the public to become more involved, and the Government need to address it. Although each and every citizen has the right to make a citizen's arrest, there is often confusion about this, particularly over exactly how the whole process works in practice. Many people fail to understand when, how or whether they should attempt such interventions. With better public information and encouragement, they could be used as a key part of our crime-fighting strategy throughout the United Kingdom. The public need to know that if they take legitimate and justifiable action to stop crime and catch criminals, they will be given the support that they deserve and have every right to expect from the Government, the police and the courts.

Although the results of surveys such as that carried out by Reform are worrying, they should not and cannot detract from the many heroes who go about their daily business and do their best to reduce crime. Only last week, we heard the story of world war two veteran William Grove, who single-handedly intervened in an attempted robbery of a jewellery store. With no weapon and no assistance from any other onlookers, Mr. Grove threw himself into tackling a sledgehammer-wielding assailant. Stunned by his intervention, the two attackers turned and fled. That is a prime example of how the public can make an important difference and be a key weapon in the fight against crime. However, apart from these have-a-go heroes—they include among their illustrious ranks my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve)—there are many other ways in which we as a community can work together to fight crime throughout the United Kingdom.

There have been some very useful and interesting speeches this afternoon, and I will refer to some of them, if I may. The Minister for Security, Counter-Terrorism, Crime and Policing referred to police neighbourhood teams, which have been of great advantage to all of us where they have been introduced. However, they should be based on proper communities and genuine neighbourhoods. Their being based on electoral wards makes no sense whatsoever. We all know that electoral boundaries divide communities, so if we want true neighbourhood policing based on community, it needs to be based on just that—the communities, and not on electoral wards alone.

My hon. Friend the Member for Billericay (Mr. Baron) made an important point about the early release scheme when he said that up to 800 crimes have been committed by people who had been released early. That is clearly a great concern to all our constituents, and the scheme should be reviewed, if not scrapped altogether.

My hon. Friend the Member for Hornchurch made a series of relevant points. All Members of Parliament have constituents who are deeply unhappy about the way in which crime is tackled in this country by the police and feel that a lot more needs to be done, and he said that the people of this country feel left out of the loop and have concerns about intervening. There has been a breakdown in the relationship between the police and the public. *[Interruption.]* There has been. People no longer believe that the police will carry out what they should be doing, and I can cite many examples of that from my constituency. Few people have any real belief in the crime figures that are published, and the Government must address this lack of public confidence, because it will deter people from getting involved. I hope that the Under-Secretary of State for the Home Department, the hon. Member for Tynemouth (Mr. Campbell), will refer to that when he replies to the debate.

Mr. Coaker: Will the hon. Gentleman reflect on his comment that there has been a breakdown in the relationships between the police and the public? There are issues to address with respect to the police and the public, and we all want greater public involvement, but will he reflect as to whether he would choose a more careful word than "breakdown"?

Andrew Rosindell: What there has been is a failure of confidence; there has been a breakdown in confidence in certain areas. How many times have we heard people say, "We are not going to ring the police"? People ask, "What's the point of ringing the police, because they won't come?" The people to whom I speak say those things, and the Minister must have noticed the same reaction in his constituency. Only two weeks ago, a member of my family phoned the police only to get no reaction. Much concern has been expressed about this matter. The police are held in great regard, but on many occasions they have not come up with the goods that people expect. That must be addressed by the Government, and I hope that the Minister will take that on board.

My hon. Friend the Member for Upminster (Angela Watkinson) highlighted that matter too, because she said that when people phone their local police station they often receive no answer. The hon. Member for North Southwark and Bermondsey (Simon Hughes) made the same point in respect of mobile phones. This

is another example of how confidence is lost. When someone phones their local neighbourhood team and gets no response, and when someone phones their local police station and nobody comes round or even calls back, that causes a breakdown in confidence.

I very much appreciated the comments made by the right hon. Member for Leicester, East (Keith Vaz), as did my hon. Friend the Member for Hornchurch, because it was a compliment for him to have been described as a rottweiler. Perhaps that is exactly what we need to tackle crime in this country today. The British people are renowned for their bulldog spirit, and we need a bit of that if we are to tackle crime, violence and antisocial behaviour in this country. Perhaps we need less political correctness. The references to "Dixon of Dock Green" are relevant, because many of our constituents like the idea of a Dixon of Dock Green character—I hope that community policing is meant to be about that approach. We need more community-based policing, but we must have firmness as well as fairness—without the firmness, people believe that the police are not being effective.

Political correctness is a poison in fighting crime—it does not help. Sadly, we have seen political correctness in the police and we have heard it from the Liberal Democrat Front Benchers today. The hon. Member for Eastleigh (Chris Huhne) seemed to be more concerned about getting the balance right between one section of society and another and about introducing proportional representation for police authority elections than he was about fighting crime. That will be viewed dimly by people across the country.

I commend the hon. Member for Llanelli (Nia Griffith), who made a thoughtful speech, with many relevant points about her constituency. It is a pity that more Labour Members have not spoken—only the right hon. Member for Leicester, East and the hon. Lady have chosen to do so.

Keith Vaz: The reason that more Labour Members have not spoken is that we all agree so fundamentally with what Ministers say.

Andrew Rosindell: My hon. Friends the Members for Rugby and Kenilworth (Jeremy Wright), for Monmouth (David T.C. Davies) and for Banbury (Tony Baldry) all made interesting and useful points. My hon. Friend the Member for Rugby and Kenilworth spoke about youth clubs and how CRB checks can be detrimental in encouraging people to get involved. Of course, that has been raised on many occasions before, but no action has been taken by the Government. We need sensible checks, but the current process is a sledgehammer to crack a nut.

My hon. Friend the Member for Monmouth speaks from considerable experience as a special constable, and I commend him on his work in that role. The hon. Member for Central Ayrshire (Mr. Donohoe) is also a special constable, and he and my hon. Friend, in spending their free time—I did not know that MPs had much free time—providing such a valuable service to our community, are great examples for other Members of Parliament.

My hon. Friend the Member for Banbury made points about mental health and drugs, and their impact on crime. Much more needs to be done to address those issues.

It is vital to use modern technology in the fight against crime. Facebook is a site used by millions of youngsters across the world, and is now being used to tackle crime in certain respects. The Minister referred to a similar internet site earlier, and we should use those opportunities to connect with younger people.

We must also work with local groups. I have had the privilege of witnessing the work of the Romford street pastors. We have many nightclubs in the area and there are often disturbances on the streets late at night on Fridays and Saturdays. The street pastors do a magnificent job in defusing situations and calming things down. They talk to young people so that they do not feel threatened, creating a much better atmosphere in the town centre. The pastors work closely with Havering council and have had great support from the Conservative administration and the leader of the council, Councillor Michael White. It is important that councils work with the local community, and we should encourage street pastor schemes to be set up across the country. In Romford, our scheme has been very helpful.

It is also important to encourage neighbourhood watch schemes, which have—sadly—been neglected in some areas. They still have many activists and do a fantastic job, but more needs to be done to support and revive them where they have failed. I have already mentioned special constables, and we should do more to encourage people to join that scheme and play a key role in serving their local community.

Churches, schools, families, Members of Parliament and councillors all have a role to play. If we work together, we can do so much to restore order to our streets and clamp down on criminals who do so much harm to our society. We need to encourage and support all attempts by the public to engage in the national fight against crime. Community schemes and projects make a real difference. There are only so many police able to patrol our streets, so everyone must take responsibility for the protection of their local area and their neighbourhoods. Walking by on the other side must never replace the true British spirit of public involvement. Community groups and individuals can be strong assets in assisting the police to protect society. We must put in place the right projects, funding and support to encourage people to take on more of that responsibility.

Together, as one community, we can make a difference in fighting crime and make our country safer for everyone.

5.45 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): This has been a largely thoughtful and measured debate, and I shall begin by referring to the comments made by my right hon. Friend the Member for Leicester, East (Keith Vaz). He expressed the view—which I share—that our police service is of the highest standard. There are few greater responsibilities than supporting the police service to protect our freedoms and to lead the fight against crime. My right hon. Friend went on to say that matters to do with policing ought to be above party politics, and I agree—although I cannot be absolutely sure that my later comments will reach that standard.

My hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing set out clearly in his speech at the start of the debate the Government's

[Mr. Alan Campbell]

commitment to a new vision for 21st century policing, which includes a new deal for what the public can expect from the police and the criminal justice system. Our Green Paper sets out the next stage of reform, which has been made possible by our success in cutting crime and by the record level of investment over the past decade.

Keith Vaz: May I take this opportunity to congratulate the Minister personally on his promotion? I should also like to congratulate my hon. Friend the Member for Ealing, Southall (Mr. Sharma) on his promotion to Parliamentary Private Secretary to the Front-Bench Home Office team. The commitment to reform is clearly in place, but hon. Members of all parties have identified that one of the key issues is the removal of paperwork and red tape. We need a bonfire of targets, so are the Government committed to ensuring that that will happen?

Mr. Campbell: We are, and I hope that in my comments later I will be able to give my right hon. Friend the assurances that he seeks.

The Casey review has been mentioned, quite rightly, in almost every speech this afternoon. It has highlighted the fact that changes are necessary to increase public confidence in the police and to empower people with the information that they need if they are to make well-informed decisions that impact on the local community.

Much has been made about confidence in the police, which is central to the single target that will be part of the policing pledge. The hon. Member for Hornchurch (James Brokenshire) gave the impression—I think inadvertently—that 1997 was year zero, so let me tell him that confidence in the police unfortunately fell after 1982. In that year, 92 per cent. of people had confidence in the police, whereas only 75 per cent. did in 2003. That shows that the decline in public confidence did not begin in 1997, but I assure the House that it is something that the Government are absolutely determined to put right.

The Green Paper addresses many other concerns, as my hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing has outlined already. The national policing pledge will set out for the first time the standard of service that the public can expect from the police. It will include standards and commitments on response times—an issue of great importance in the debate—as well as on neighbourhood policing, community engagement and time spent on the front line.

James Brokenshire: Does the Minister acknowledge that public confidence in crime prevention means that people need to be able to rely, not just on the police, but on those other agencies charged with keeping them safe? Does he accept that people's confidence will have been rocked by this afternoon's shocking news that the Security Industry Authority, which is responsible for vetting nightclub door staff and other security personnel, has not even carried out all the appropriate security checks on its own staff?

Mr. Campbell: I admire the hon. Gentleman's ability to get that point into the debate, but I draw the House's attention to the statement that the Government have issued this afternoon. That statement is part of the commitment on these matters that was set out earlier so, far from condemning us on that, he should be congratulating us.

The provision of local information about crime and policing issues in a local area will also be included in the pledge, as will follow-up for victims of crime and—importantly—information about how to complain. We want to provide the public with the service that they tell us they want. Any reform must be credible, and offer people the help and support that they need to challenge their police service, in a constructive way, to do better on the issues that matter to them.

I turn now to the comments of contributors to the debate. The hon. Member for Hornchurch opened the debate for the Opposition. He and I are becoming regulars at debates in various places. Often in debate, one side says that the glass is half full, and the other says that it is half empty, but invariably for the hon. Gentleman there is nothing in the glass at all. A lot of good work is done locally, through the efforts of the police and the community working together, but I am sorry to say that he is in danger of giving the impression that the work is not taking place, or is not valued. I am sure that he did not want to give that impression.

The hon. Gentleman went on to welcome—perhaps through gritted teeth—the Casey review and Jan Berry's appointment to a role in which she will reduce bureaucracy. He suggested that he shares our view at least on the aspiration of reducing targets and bureaucracy, and on the general approach taken in the Green Paper, which includes provisions on crime mapping and regular meetings.

The hon. Gentleman spoke of the length of time that members of neighbourhood policing teams would spend on-patch, and complained that the 80 per cent. figure meant that 20 per cent. of their time would be spent elsewhere doing who knows what. They will, of course, be doing partly what he wants them to do. If they are to be effective and arrest criminals, they must spend part of their time preparing evidence and presenting it in court to ensure a conviction and, hopefully, punishment. That will not be included in the 80 per cent. figure, because it does not count as front-line activity.

The hon. Gentleman also called for the greater use of powers, particularly in relation to alcohol. I echo that call. I echo everything that he said on that issue, but I suggest that he has a word with his colleagues in local government, where there is a reluctance to use many of the powers that the Government have introduced. He went on to talk about accountability. Although we agree on the need for accountability, we do not agree on the need for an elected police commissioner. The reason is clear: there is a risk of politicisation, as the hon. Member for Eastleigh (Chris Huhne) pointed out. I also point out that the approach that the hon. Member for Hornchurch takes is not local enough. We have talked about one person representing various groups across a community, but I give him the example of Northumbria police area, my local police area, which stretches from Berwick to Sunderland—a distance of about 80 miles. It is full of diverse communities, each in themselves diverse, and it is spread out geographically. The approach that he advocates would not be local enough. That is why our crime and policing representatives, based in more local areas, offer a much better way forward.

I want to return to the speech of my right hon. Friend the Member for Leicester, East. I thank him for his comments, which he repeated just now. I look forward to working with him and his Committee, and I can assure him that no one would ever accuse him, or it, of being a patsy. I look forward to its report, and I want to place on record our appreciation of the work of the Committee. He identified the issue of lack of confidence, and worryingly said that confidence can sometimes be damaged after someone has come into contact with the police. That underlines the approach being taken in the Green Paper; we want to bring the police and the community closer together to increase understanding and enhance confidence. He spoke in praise of neighbourhood watch, and I join him in that view. He described its members as heroes and heroines, and I echo that. I am pleased to pay tribute to them today.

The hon. Member for Eastleigh talked about community payback and the wearing of tabards. He had something of a spat with the hon. Member for Monmouth (David T.C. Davies); I tended to agree slightly with the latter, but perhaps not to a great extent. The issue is not just the impact on offenders. Quite honestly, what offenders wear and whether it offends them is not of the slightest interest to me. What is of interest is the work that they do while they are wearing those tabards—meaningful work that puts something back into the community. As the hon. Member for Rugby and Kenilworth (Jeremy Wright) said, the issue is about the community seeing that justice is done.

The hon. Member for Eastleigh talked about neighbourhood watch and community champions, but it is not an either/or issue: community champions exist and are probably already involved in their local community, but some of them might be members of neighbourhood watch, too. We should all support whatever works in individual areas. The hon. Gentleman went on to repeat a call for cross-party support, but he then talked about accountability. He attacked the official Opposition's position, and I am glad to join him in that, but I listened very closely to what he said and I am not sure that he gave us any answers at all. I listened to the Liberal position, but, unless I have missed something, I am none the wiser at the end of it all. Not surprisingly, however, he brought us back to proportional representation, so I should point out to him that in some areas, the representative will in fact be a directly elected mayor, who, including my own mayor on Tyneside, will be elected by a form of proportional representation. However, it is hardly fair of him to blame us for what he calls 11 years of inaction when he finishes his remarks by asking us to return to the drawing board.

In a thoughtful speech, my hon. Friend the Member for Llanelli (Nia Griffith) used her experience to demonstrate the problems that have been highlighted in her area and brought up in the Casey review and in the Green Paper. I agree entirely about the need for local authorities to use the powers that are available, but I do not agree about the issue of crime and policing representatives, because the existing system is by no means perfect, and many local communities simply do not know who the members of their police authority are. I should point out to my hon. Friend that even after the representatives are elected to a police authority, there will still be space on the authority for local authority representatives, because many of them make an important contribution and we want that to continue.

In a knowledgeable and thoughtful speech, the hon. Member for Rugby and Kenilworth acknowledged the point in the Green Paper about the need for national standards and the role for the police in setting priorities, and he underlined the need to work closely with the community to align those priorities, because, often, individuals will see their priority as something that has happened to them in their area, so it is important that we get the alignment right. The hon. Gentleman used his knowledge to illustrate concerns about jury trials, pre-sentencing reports and interventions, but we have to be careful, particularly if we are looking out from within the criminal justice system, because our constituents have a slightly different view of how it works. We have to maintain its fairness but ensure that it is fit for purpose for our constituents.

The hon. Member for Monmouth paid tribute to special constables, and I am happy to endorse that and point out that, in August, the Home Secretary announced £2.5 million to recruit 6,000 more of them. I wish Darran Grady and all the other police community support officers well, whether they are nominated for an award or not, but the issue of whether they receive a warrant card is contentious. We have to be careful that we do not derail the good work that PCSOs do and upset the balance that has been struck in local communities.

The hon. Member for Upminster (Angela Watkinson) made a number of points that, I hope, my hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing has addressed and, therefore, I do not need to. The hon. Member for Banbury (Tony Baldry) raised a number of issues about people with mental health problems and the criminal justice system, and we are talking to health authorities about the situation. We are aware of it, and I should point out to him the very good work that is being done on drug intervention areas, where there is some success. Indeed, I saw some success when I visited Coventry recently.

The money for alcohol and drug treatment to prevent reoffending comes from a number of different places, because we have a joined-up approach throughout the Government and on the ground, but the hon. Gentleman was right to draw our attention to persistent offenders. Nine out of 10 antisocial behaviour offenders stop offending after the third intervention, but that leaves about 7 per cent. who continue. It is important that we focus attention on the issue, and that is where Operation Leopard, for example, has been successful.

I am trying to be quick but as courteous as possible to hon. Members. The hon. Member for North Southwark and Bermondsey (Simon Hughes) paid tribute to the good work being done on the ground; I echo that, and what he said about the police working with the eyes and ears of the community. Our police pledge and the Green Paper are about working with the eyes and ears of the community and working better with the wider community. That is our ambition, and we are determined to fulfil it. A lot of comment today suggests that there is a lot of good work in the Green Paper and we will—

It being Six o'clock, the motion lapsed, without Question put.

NORTHERN IRELAND GRAND COMMITTEE

Ordered,

That—

(1) the matter of organised crime in Northern Ireland be referred to the Northern Ireland Grand Committee;(2) the Committee shall meet at Westminster on Tuesday 18th November at half past Four o'clock; and(3) at that sitting-(a) the Committee shall take questions under Standing Order No. 110 (Northern Ireland Grand Committee (questions for oral answer)), and shall then consider the matter referred to it under paragraph (1) above;(b) the Chairman shall interrupt proceedings not later than two and a half hours after the commencement of proceedings on the matter referred to the Committee; and(c) at the conclusion of those proceedings, a motion for the adjournment of the Committee may be made by a Minister of the Crown, pursuant to paragraph (5) of Standing Order No. 116 (Northern Ireland Grand Committee (sittings)). — *[Ms Butler.]*

Icelandic Banking Collapse

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Butler.]*

6 pm

Mary Creagh (Wakefield) (Lab): I am grateful to Mr. Speaker for giving me the opportunity to raise the issue of United Kingdom citizens affected by the Icelandic banking crisis and the fact that they have or had offshore accounts. We have seen much on the news about the collapse of the Icelandic banks, the Government's seizure of their assets and the subsequent guarantee of all UK deposits in Icelandic banks.

Running alongside that unfolding drama has been the equal drama of the position of people who held Icelandic bank deposits located offshore in the Isle of Man and Guernsey. I shall focus the majority of my remarks on the Kaupthing Singer & Friedlander Isle of Man bank, from which two of my constituents have lost large sums. The first is Katy Watt, who has lost everything that she has worked for throughout her life.

Ms Watt moved to the Isle of Man five years ago to take up a job as a youth worker. The wages of UK citizens working on the Isle of Man cannot be paid into a UK bank account, so she was required to open an Isle of Man bank account. She bought herself a house in Peel, and worked for five years on the island. This summer she turned 60, and decided to retire to Wakefield, where her daughter and friends live. In August, she sold her house on the Isle of Man. The proceeds from the sale went into a KSF Isle of Man account along with her life savings, ready to be transferred to a UK account when she found a house in Wakefield. Like all KSF depositors, Ms Watt believed that her money was protected. KSF had specifically told her that she was protected by a 100 per cent. guarantee from the parent Kaupthing bank in Iceland. She was also attracted by a high interest rate of more than 6 per cent.

On 6 October, amid rumours of collapse in the banking sector, Ms Watt contacted KSF Isle of Man and was told that the bank was safe. However, she decided to move her money out of KSF and into a UK-based account. She contacted the bank again and was told that the money had left her account. It never arrived. Her money has been lost in the UK clearing system, and many other people who sought to move their money out have lost it in transit.

Ms Watt had not arranged a private pension, but had carefully saved her money. The money in the KSF account was to buy her a home and provide an income additional to her state and work pension. She is now left with absolutely nothing. She has no home. She is staying with friends and family, but cannot stay with them permanently. She is entirely reliant on her small state pension. When she came to see me in this place it was immediately apparent that her income was such that she now qualifies for pension credit. She is devastated that after a lifetime of working hard and playing by the rules, she is dependent on state benefits to top up her income. I should like to put on the record my thanks to the Secretary of State for Work and Pensions for helping to speed up the payment of those benefits. I strongly advise other depositors who have lost pension lump sums and rely on their investment

income to consider whether they are entitled to pension credit and to claim it immediately if they are entitled.

My second affected constituent is Mr. David Speed, who lives in Farnley Tyas, a small village just outside Huddersfield. He recently retired after 40 years' work and sold the small business that he had set up and run. He put the majority of the proceeds into a six-year investment bond, which cannot be touched. He placed the remaining cash, about £200,000, in a one-year bond with KSF Isle of Man, on the recommendation of his accountant. Mr. Speed has a £127,000 capital gains tax bill to pay by the end of January 2009, but no cash to settle it. My hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) has a constituent in exactly the same position.

My constituents are typical of many depositors who have lost their money in Kaupthing Isle of Man. Mike Simpson, the KSF Isle of Man provisional liquidator, has stated that there are 8,168 individual depositors with KSF Isle of Man. In total, they have lost £821 million from the bank.

Damian Green (Ashford) (Con): I am grateful to the hon. Lady for giving way. She has done well to secure this debate. She has mentioned two very difficult individual cases, and the whole House will have sympathy with her in that regard. I draw to her and the Minister's attention the case of a company in my constituency, which for obvious reasons I will not name. It is trying to carry on in business despite the crippling problem of having most of its funds tied up in the bank to which she is referring. It feels completely helpless and let down by the black hole of regulation, support and compensation that exists in relation to a bank that it used not because it was searching for high interest but because it used to bank with Singer and Friedlander, which it regarded as a traditional City name.

Mary Creagh: Many people's funds have ended up in KSF Isle of Man by a variety of routes. I am sure that we will hear from other hon. Members about the routes by which money ended up in offshore accounts. I entirely understand the position in which the company in the hon. Gentleman's constituency finds itself. We need to look into the regulation that took place. As he will be aware, the Isle of Man has a separate regulatory regime, and it is not clear to small investors that that is the case. It was certainly not clear to people who invested in Guernsey that they were not covered by any compensation scheme.

Sir John Butterfill (Bournemouth, West) (Con): Part of this is affecting some of my constituents. Many British citizens working abroad who had sold their homes were not allowed to open bank accounts in the United Kingdom and had to have offshore accounts. My constituents also had accounts in Guernsey and the Isle of Man, but they put their money into subsidiaries of building societies: in the case of the Isle of Man, Derbyshire building society, which had a subsidiary there; and in the case of Guernsey, Portman building society, which has its head office in my constituency. They thought that in doing so they were extremely prudent, because building societies are regulated by the Building Societies Commission, which in turn reports to the Treasury. Even if a building society has overseas subsidiaries, the whole of its activity must be approved by the commission. When Derbyshire was sold to Kaupthing in the Isle of Man and Portman was sold to Landsbanki in Guernsey, there was a duty on the part of the commission and, by extension, to the Treasury to ensure that their deposits were properly safeguarded, but it appears that that did not happen. I think that there is a case against the commission and the Treasury on this point.

Mary Creagh: I shall leave the Minister to answer the question of whether there is a case against the Treasury or the UK regulator.

I have sympathy with depositors who find themselves in this predicament. How many of us read the small print on our credit card bills and financial statements? People think that funds have been transferred and will be safe. We have watched what happens when a tsunami hits, and we know that when the water goes out we should run to higher ground, but none of us knew that until a couple of years ago when we saw the devastation that was caused. Now, we all know that the Isle of Man and Guernsey are completely separate regimes, and that banks can collapse and fail, but that has not been part of the British psyche for the past 70 or 80 years, although it might have been part of our grandparents' psyches having lived through the Depression in the '30s. It is fine to be wise after the event, but we need much more clarity when people are being sold financial services products such as bonds to alert them to the risks attached to those products.

Mr. Mark Todd (South Derbyshire) (Lab): My hon. Friend has been generous in giving way. I have a constituent who invested in Derbyshire Offshore, which was sold to Kaupthing Singer & Friedlander, and another constituent who contacted me had the prescience to query the equivalence of the guarantee given. A building society guarantee—bearing in mind that there have been no failures of British building societies ever—was regarded as robust. A guarantee offered by an Icelandic bank was certainly not equivalent, and he detected that. Could he get access to his account and trade it in? No, not without the penalties that were levied. In some cases, the societies that sold on their accounts bear some responsibility.

Mary Creagh: Indeed they do.

Of the £821 million that has been lost, £450 million is made up of private personal deposits. The balance is made up of bond companies and corporate accounts. The majority of those private depositors are UK citizens. According to the website for KSF Isle of Man depositors, around a quarter are resident in the UK. If we extrapolate that number, we could be talking about as many as 2,000 people. The Manx Government have now extended their depositors compensation scheme to be equivalent to that of the UK, so it will cover deposits of up to £50,000. Unlike the FSCS in the UK, the Manx scheme is not funded, so as yet there is no money in the pot to be given as compensation.

There are question marks over how the FSCS will work in practice. It will require hundreds of millions to become fully funded, and the likelihood is that any payments made will be stretched out over many years.

[Mary Creagh]

which will be of little comfort to people who may be in their old age and looking to that money for their retirement income. Half of those 8,000 private depositors would be entirely covered by the FSCS if and when it pays out. Half—perhaps some 4,000 people, including my two constituents—would lose tens and in some cases hundreds of thousands of pounds.

Andrew Rosindell (Romford) (Con): I am pleased that this matter has been raised, because huge numbers of people were affected by the collapse of Kaupthing Singer & Friedlander bank in the Isle of Man, but does the hon. Lady accept that the collapse was due largely to UK Government action? It is because of Government action here in London that the bank, which did not need to collapse, was folded. Does she agree that the Government in Britain should have liaised with the Manx Government and the Icelandic Government before taking the action that led to this disaster?

Mary Creagh: I will leave the Economic Secretary to reply on the actions of the UK Treasury. It was clear, however, that the banks were in trouble and had been for some time. I do not think that we can blame our own Government for taking action to protect UK investors—

Andrew Rosindell: Yes we can.

Mary Creagh: The hon. Gentleman might wish to; I am not prepared to do that. I am not clear what happened with the transfer of the £500 million—whether it was transferred from Iceland to London, or from the Isle of Man to London. I understand, though, why people are extremely agitated.

Mr. Mark Hoban (Fareham) (Con) *rose—*

Mary Creagh: I will make progress, because I want to talk a little about bonds.

The compensation scheme does not cover people such as my constituent, Mr. Speed who invested in bonds. I have a letter from Royal Skandia, with whom Mr. Speed invested his money. It informs him that

"the deposits are held by and in the name of Royal Skandia and are therefore deemed as a corporate investment. As such the Isle of Man Depositors compensation scheme does not cover these deposits."

The letter continues:

"There is a parental guarantee by Kaupthing Bank hf registered in Iceland that covers these assets. This was put in place in September 2007. It is currently unclear if this guarantee will be honoured. The Isle of Man government has made representation to the UK government which is responsible for defending the Isle of Man's interests internationally requesting them to press the government of Iceland to honour Kaupthing's guarantee".

It is important to remember that we are dealing with Icelandic banks. People have mentioned that 100 per cent. guarantee to me time and again. They were putting their money into an institution that had a parental guarantee. It now looks unlikely that that guarantee will be honoured by Iceland, as the bank's liabilities were many times the sum of Iceland's GDP.

Another very important group of people have also lost everything. People who were investing for their retirement through the self-invested personal pension, or SIPP, have also lost out. They are UK residents and UK taxpayers, but no onshore bank will accept SIPP deposits because they are held in trust. They have to be placed offshore. The Manx authorities will not accept that those are retail deposits, so they are not covered by their compensation scheme.

I shall give way to the hon. Member for Fareham (Mr. Hoban), if he is still interested.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Let me explain that there cannot be an intervention from a Front Bencher in an Adjournment debate. It is simply a rule that we observe on these occasions.

Mary Creagh: Thank you, Mr. Deputy Speaker, for that clarification.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): All hon. Members are grateful to the hon. Lady for her generosity in giving way, which we appreciate. Many hon. Members, including my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes), have constituents who are affected. The hon. Lady was right to draw attention to the Icelandic guarantee, and we are keen to hear from the Economic Secretary what the Government have to say about the fact that they sequestered funding held in the UK banks for KSF Isle of Man. It could be argued that that money could be used to refund at least some of the deposits held by the unfortunate people caught by the problem.

Mary Creagh: That point has been made. The Chancellor said at Monday's Treasury Committee meeting that the Isle of Man is

"a tax haven sitting in the Irish Sea".

The Isle of Man's tax status may be useful for some non-British residents—and perhaps for some super-British residents—but depositors pay a 20 per cent. withholding tax at source in the Isle of Man. So anyone who is a basic rate taxpayer in the UK no longer has a tax advantage from putting their money into an Isle of Man account. That is not properly explained to people when they take out such investments. Depositors declare their income from deposits to the Government of the country in which they reside via a year-end tax return. Obviously, people who pay tax at the higher rate can pay that extra 20 per cent. at the end of the year.

My constituents are British people, living in Britain, who have lost the money for which they worked throughout their lives. They now rely on Britain to support them and defend their interests. As my hon. Friend the Member for South Derbyshire (Mr. Todd) said, many were originally savers with the Derbyshire building society. I know that my hon. Friend the Member for Amber Valley (Judy Mallaber) has affected constituents who were with the Portman and Cheshire building societies. A few people, such as my constituent, Miss Watt, worked in the Isle of Man. Some worked for British companies, some worked for the UK Government abroad and others worked for UK charities abroad and are not allowed to have accounts in UK banks because they are not resident.

I do not pretend to be an expert in matters of international finance and banking, but I have had to learn a lot in the past few weeks. I emphasise that the transfer of money has been raised.

I would like to deal briefly with the situation of Landsbanki in Guernsey. Savers will receive 30 per cent. of their savings from the liquidator. Some people who invested in Guernsey were not aware that it is not part of the European economic area, and they are not therefore eligible for even the basic £15,000 compensation scheme that applies in Iceland. Serious questions need to be asked of the accountants and independent financial advisers who advised people to invest offshore. They clearly did not explain the risks involved in offshore banking.

Let me end with some questions for my hon. Friend the Economic Secretary. Will Treasury officials meet representatives of the KSF Isle of Man depositors to allow them at least to put their case? Will my hon. Friend obtain details of all KSF Isle of Man depositors who are UK residents and who may owe tax to the Revenue? Can he write to me with details of the number of people affected? The Manx Government will have automatically transferred them to HMRC. Will he ensure that HMRC deals sensitively and appropriately with people who have lost everything? Will he do everything in his power to ensure that Iceland honours its commitments to those depositors? Will he write to the Isle of Man liquidator and request that he make himself available in London for a meeting with depositors to explain his actions fully and their options to them? Will he also write to the Isle of Man Government and urge them to press ahead with their compensation scheme for depositors who have lost up to £50,000? Once those people have been dealt with, the nature and scale of the remaining problem will be much clearer.

I cannot overestimate the stress that those affected are experiencing. Samaritans are working with the website to support people through this period of intense stress. Their lives are in limbo, their plans are on hold and their futures are uncertain. I ask that all parties—the Icelandic, UK, Isle of Man and Guernsey Governments, the liquidators, the regulators, HMRC and the banks—work together to bring this unhappy episode to a speedy and satisfactory resolution.

6.19 pm

The Economic Secretary to the Treasury (Ian Pearson): I congratulate my hon. Friend the Member for Wakefield (Mary Creagh) on securing this Adjournment debate. I am sure that the whole House will have sympathy for the plight of her constituents. Let me say in advance that, although she was generous in giving way, I do not intend to give way during my reply, given the time constraints.

The Icelandic economy has experienced increasing difficulties in recent months. Growth has slowed and the currency exchange rate has depreciated; this has been coupled with high inflation and high interest rates. In July, the International Monetary Fund's mission to Iceland concluded publicly that the Icelandic banking sector faced significant risks. On 29 September the Icelandic Government acquired a 75 per cent. stake in Glitnir, nationalising Iceland's third largest bank. That was followed by a downgrade by Fitch of all the Icelandic banks and their subsidiaries.

On 6 October the Icelandic Government passed emergency legislation in an attempt to stabilise the financial system in Iceland. That had immediate force and granted extensive powers to the Icelandic financial supervisory authority to intervene in the financial sector in Iceland. Using the new legislation, the Icelandic authorities subsequently took control of Landsbanki Islands and Kaupthing.

Amidst that turmoil, the Financial Services Authority determined, on 7 and 8 October respectively, that Heritable, a UK-based banking subsidiary of Landsbanki, and Kaupthing Singer & Friedlander, a UK-based banking subsidiary of Kaupthing bank, no longer met threshold conditions and were in default for the purposes of the Financial Services Compensation Scheme. To protect retail depositors, the Treasury, using powers under the Banking (Special Provisions) Act 2008, transferred retail deposits in Heritable and KSF's Kaupthing Edge deposit business to ING Direct. The remainder of Heritable and KSF's business entered into administration, with the remaining retail depositors being guaranteed.

The Government have also committed themselves to protecting in full retail depositors in the Icesave brand of the UK-based branch of Landsbanki. That guarantee does not extend to retail deposits with branches or subsidiaries of Landsbanki or Kaupthing that are located overseas. The guarantee extends only to retail deposits held in the UK.

The Treasury also made the Landsbanki Freezing Order 2008 on 8 October. That was because the Icelandic Government, their authorities and Landsbanki appeared to be on the brink of action that would be to the detriment of the UK economy, including detrimental treatment of UK depositors and consequential burdens on the banking sector. The freezing order was made under a power contained in the Anti-terrorism, Crime and Security Act 2001, which includes a broad range of provisions and is not concerned only with countering terrorism. The power enables the Treasury to make a freezing order where it reasonably believes that action to the detriment of the UK economy or part of it has been or is likely to be taken by a foreign Government or resident of a foreign country or territory. The UK's action was not taken on the basis of the anti-terrorism provisions in the Act.

On 9 October, the administrators of Landsbanki transferred its domestic deposits and a portfolio of assets to match them in full to a new entity, New Landsbanki. The London branch of Landsbanki Islands was left in old Landsbanki. That action appeared to support our previous concerns about Iceland intending to favour its own domestic creditors, as the transfer is at the expense of non-domestic creditors and could result in their being left to share in a disproportionately smaller asset pool.

The problem with Icelandic banks did not originate in the UK, but in the Icelandic banking system. Although the Government understand that many people have been affected by the failure of Icelandic banks, the oversight of overseas accounts is the responsibility of the relevant regulatory authority in that jurisdiction. As a general principle, arrangements for depositors in banks in overseas territories are a matter for the Governments of those territories. As the Chancellor said to the Select Committee on Treasury earlier this week:

"The British Government's obligation must be to depositors who have put their deposits into UK banks."

[Ian Pearson]

Let me turn to the specific points raised during the debate. It has been suggested that action by the UK authorities caused the failure of Kaupthing Singer & Friedlander in the Isle of Man, by requiring funds to be moved to the UK sister company, which it promptly shut down. I assure the House that that is not how things happened and I want to try to explain how events unfolded.

First, the business models of many banking operations in the Crown dependencies involve the practice of up-streaming deposits for Treasury management by the parent company. Before 8th October, KSF Isle of Man had taken to depositing funds with KSF UK, a practice that resulted from concerns that the Isle of Man authorities had about the position of KSF Isle of Man's parent company in Iceland. That is to say, KSF Isle of Man appears to have determined that placing money with the UK sister company was more prudent than placing it directly with the parent in Iceland.

I understand that this action was taken following discussions with the FSA in which certain aspects of the regime applied by the FSA to KSF UK were described. I want to say clearly that my information is that the FSA did not advise or require these deposits to be made. Furthermore, I understand that those discussions did not extend to the giving of any specific assurances by the FSA—for example, that KSF UK would be able to repay the money, or that KSF Isle of Man would be treated preferentially in the case of an insolvency. And at all times, the supervision of KSF Isle of Man remained the responsibility of the Isle of Man authorities. The FSA had no power over it.

My understanding is that KSF Isle of Man had some £532 million of deposits in KSF UK, and can be expected to recover a proportion of this from the insolvency process. It is my view that, given the lack of clarity that remains about the winding up of KSF in Iceland, depositors of KSF Isle of Man are likely to be better off than if those sums had been deposited with the parent company. However, under UK insolvency law, KSF Isle of Man ranks like any other creditor of KSF. KSF Isle of Man will have been fully aware of this. It could have chosen to put its money elsewhere.

Indeed, KSF Isle of Man was only one of a number of depositors with KSF UK that was not protected by the UK Financial Services Compensation Scheme. Other depositors included local authorities, building societies and charities. The FSA could not have given KSF Isle of Man advance warning of events, any more than it could have done so for other parties, as to have done so would have been highly inappropriate.

On the question whether depositors in the Isle of Man or Guernsey had any choice in the matter of opening offshore accounts, or whether non-UK residents are forced to open accounts offshore, I can confirm that this is not the case. There is no legal bar under UK financial services regulation that would prevent a non-UK resident from opening a new bank account here. When an account is opened remotely, more onerous anti-money laundering checks are, quite properly, required because of the increased risks involved. This might well be a factor in the willingness of some UK banks to offer new accounts to non-residents. However, this would not be a burden for customers who move offshore but wish to retain existing accounts.

A point was made about Derbyshire Offshore, and I want to make it clear that no member deposits were moved to this subsidiary by the society, other than on the instruction of the member depositor. Depositors in Derbyshire Offshore would not have been covered by the UK FSCS before they were transferred to Kaupthing Singer & Friedlander, and it remains the case that, when they were transferred, they were regulated by the Isle of Man authorities and would have come under the Isle of Man's compensation scheme.

Corporate bonds and similar debt securities issued by banks are not covered under deposit rules, because they are investments rather than deposits. If a bondholder suffers a loss as a result of the failure of the bank that issued the security, they may, for example, have a claim against an adviser who gave advice in relation to the purchase of the bond. If that adviser were in default and unable to meet that claim, there would be a protected claim under the investment business rules of the FSCS, which would be paid by the FSCS, subject to the relevant limits and the normal eligibility conditions being met.

My hon. Friend also mentioned Guernsey. It is certainly not my understanding that depositors in Guernsey lost everything when Landsbanki went into administration on 7 October. I should say, first off, that that entity is regulated by the Guernsey authorities and is therefore outside the UK FSCS. The administrators have already proposed a part-payment to depositors equivalent to 30p in the pound. They have also said that the prospects for further repayment to depositors are good.

I have tried to address the main points raised by my hon. Friend, and I sympathise with her constituents over the situation in which they find themselves. KSF Isle of Man is a matter for the Isle of Man authorities and, as she will be aware, PricewaterhouseCoopers has been appointed as the provisional liquidator. It is engaging directly with the administrators of KSF in the United Kingdom. Depositors with specific queries should contact the provisional liquidator and the Isle of Man authorities. Given the issues that my hon. Friend has raised, however, I would be prepared to ask officials to meet her to discuss the situation—

The motion having been made at Six o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at half-past Six o'clock.

House of Commons

Monday 10 November 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Horse Racing Levy

1. **Mr. Laurence Robertson** (Tewkesbury) (Con): What recent discussions he has had with representatives of horse racing on modernising the levy system; and if he will make a statement. [233988]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I have met representatives of the horse racing and bookmaking industries on a number of occasions and discussed the horserace betting levy. I would like to pay tribute to both industries for their flexibility in agreeing the 48th levy scheme without the need for Government determination, and for their commitment to continue the work on modernising the levy.

Mr. Robertson: I thank the Minister for that response. We welcome the fact that an agreement was reached on the levy, but it happened at the eleventh hour, in the 59th minute. Each year, wrangling over the levy holds up the modernisation process. Is there nothing that the Minister can do to push that process along, and to concentrate the minds of the industry to make progress so that the Government are no longer a part of it? Will he consider setting up a forum for those of us who want to contribute to the debate that will allow us to do so, and which will prevent others in the industry from running away from the problems or from stifling debate?

Mr. Sutcliffe: I thank the hon. Gentleman for his work on the all-party group on racing, which helped us to deal with these complex issues. He was right to say that the deal took place at the eleventh hour, in the 59th minute, but that was better than last year when the Secretary of State had to determine it. It is important that those in the industry recognise that they have to work together, and I was pleased to see the issues raised by Sir Philip Otton's report, which was commissioned by the levy board. The hon. Gentleman may be right, and I am due to receive a report on modernisation from the levy board on the 30 April next year, but in the mean time, all of us who have the interests of racing and betting at heart may want to consider the issues at stake. I will get back to him on the setting up of such a working group.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): I welcome the agreement between both organisations, and look forward to a sustainable future for both of them. Will the Minister remind them that horse racing is a community sport, with many families going to race courses to enjoy a day out? I hope that they will keep that at the back of their mind—or at the front—when having discussions in the near future.

Mr. Sutcliffe: I pay tribute to my hon. Friend for his work with local race courses. He is right to say that racing is a universal sport that everyone can enjoy, but it is a commercial entity. Complex issues affect the sport, and sports betting, and we need the industries to work together. It should not be left to the Government at the eleventh or twelfth hour to resolve the issues. The industries should consider those issues in a commercial and practical way, while remembering that the sport is there to serve the people. My hon. Friend's points will be well noted by both sectors.

Philip Davies (Shipley) (Con): Did the Minister see the article in the *Racing Post* last week that suggested hundreds of betting shops are likely to close in the near future if things do not change in the industry? Would he agree that there was little for bookmakers in the last-minute agreement? If the bookmaking industry is going to survive and thrive in this country, any future levy settlement will have to be much more in their favour.

Mr. Sutcliffe: I pay tribute to the hon. Gentleman for his work on the all-party group on racing. He hits the nail on the head: this is a complex, commercial issue involving two sectors that rely on each other. I do not want to comment on who won or lost. It is important that both thrive, and that they recognise the issues that they face. On the back of the successful discussions, they can deal with those complex issues, while recognising that they are inter-dependent.

David Taylor (North-West Leicestershire) (Lab/Co-op): Can the Minister confirm that the levy will produce about £100 million in the present year? The British Horseracing Authority is seeking a sum adjacent to £150 million, while the bookmakers' representatives believe that they should pay only £40 million because of the costs of Turf TV, to which they contribute. Racing is socially, culturally and economically important. Will the Minister say whether betting exchanges are likely to pay their due share towards those costs?

Mr. Sutcliffe: I pay tribute to the work that my hon. Friend does for his local race course. There are many issues facing betting, as I said earlier, and he tempts me down a course of saying what I think about the negotiations. I am not prepared to do that, other than to say that I am glad that they were successful. I have asked for further work to be done on the matter of betting exchanges. It is clearly an issue when people can bet from abroad and pay no contribution towards the levy.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I do not know whether you are a betting man, Mr. Speaker—[*Laughter.*] You are smiling. I do not know how I should

read that, but I suggest that you take no advice from this Government, who have not had a lot of luck with the horses recently. We have just heard that there is still a problem with the levy, and we know that the on-course bookmakers dispute rumbles on. I think that we were promised in 1999 that the Tote would be sold off, but that option has been kicked into the long grass. When will the Minister's Department take these matters seriously, and ensure that racing stays on the back pages, not on the front pages because of unresolved problems?

Mr. Sutcliffe: We might not have been lucky on the horses, but we were certainly lucky with by-election last Thursday, given the win that we had.

It is important to do the right thing by the industry and the sectors. As I understand it—the hon. Gentleman will tell me if I am wrong—the Opposition supported our decisions on the sale of the Tote, the levy and on-course bookmakers. I do not know why he feels that he should chide us when he supports our actions.

Digital Television

2. **Miss Anne McIntosh** (Vale of York) (Con): What assessment he has made of levels of access to digital television services in the north of England; and if he will make a statement. [233989]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): At present, 83 per cent. of households can receive digital terrestrial television in the Yorkshire ITV region; 94 per cent. in the Granada region; 91 per cent. in the Tyne Tees region, and 51 per cent. in the Border region. After switchover, it is expected that the figure will rise to 99 per cent. for the Yorkshire, Granada and Tyne Tees regions, and 98 per cent. for the Border region. We do not have regional figures for digital satellite or cable coverage, but 98 per cent. of UK households can receive satellite services, and approximately 49 per cent. have access to cable.

Miss McIntosh: I am grateful for that answer, but is it right that those who live in the Yorkshire and Humber region pay their full television licence fee but do not receive the same status as many other regions? What advice is the Minister giving those who live in the Vale of York and may be about to change their television sets about what equipment to purchase?

Barbara Follett: I do not know the answer to the hon. Lady's first question, but I will write to her. People in the Vale of York should buy the latest 8k television sets because they are the up-to-date models.

Mr. Don Touhig (Islwyn) (Lab/Co-op): Visually impaired people, including those in the north of England and in my constituency, will benefit from the digital switchover help scheme, which enables them to receive audio described programming. Does my hon. Friend agree that 20 per cent. of programmes broadcast should provide that service, rather than the current 10 per cent. target?

Barbara Follett: I agree with my right hon. Friend that there is a case for what he suggests, and we will examine it.

Greg Mulholland (Leeds, North-West) (LD): The north of my constituency is rural and semi-rural, and many of my constituents can get only four terrestrial channels and cannot receive Freeview, yet are expected to pay the full licence fee. They are even more upset because they feel that they are not being sufficiently prioritised in the digital switchover, when their needs are clearly greater than those in other areas. What does the Minister plan to do about that?

Barbara Follett: The digital signal will improve for everyone, wherever they are, when analogue is switched off. People do not realise the advantages of that. I stress that most households in the country currently have at least one digital television.

Mr. Don Foster (Bath) (LD): In February, the Department for Communities and Local Government recommended robust exploration of options to include a return path in digital TV set-top boxes. Why are people in the north of England and elsewhere losing out on options such as smart metering, support with independent living and electronic access to local government services simply because the Minister has failed to follow the advice of her colleagues in that Department? If, as she told me in a letter, more research is needed, has she commissioned it?

Barbara Follett: The research is being done. I hoped that I had made that clear to the hon. Gentleman in my letter and I am sorry that I did not. I agree that the more versatility we can supply, the better, but it does not seem currently to be a cost-effective option.

BBC (Public Service Broadcasting)

3. **Hugh Bayley** (City of York) (Lab): What recent discussions he has had about the BBC's performance of its public service broadcasting responsibilities. [233990]

The Secretary of State for Culture, Media and Sport (Andy Burnham): I have regular discussions with the BBC Trust, the BBC and Ofcom, which cover a range of issues.

Hugh Bayley: Commercial pressures are forcing ITV to reduce its commitment to regional programming. Does my right hon. Friend agree that the BBC should not slavishly play the ratings game and ape ITV, with fat-cat salaries for top presenters and executives, but put public money, which comes from licence fee payers, into regional television and high-quality local radio programmes?

Andy Burnham: On ITV, as we move towards a full digital television world, the basis on which we have regulated ITV hitherto changes. It is important to understand that the financial case changes for the regional programming that we have received for many years. However, I agree with my hon. Friend that we want public service broadcasting to build on the best of what we have got—strong programming, with a regional identity and regional news, which people value greatly, provided by not only the BBC.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Quite apart from the behaviour of Jonathan Ross and Russell Brand, does the Secretary of State share the concern expressed by viewers of the BBC and other public service channels about the torrent of gratuitous bad language that is now found on programmes ranging from comedy to cookery after 9 pm? Does he think that the time has come when broadcasters may need to reconsider what is publicly acceptable in mainstream entertainment shows?

Andy Burnham: May I welcome what the Chair of the Select Committee on Culture, Media and Sport has just said? I do not expect him to read all my speeches, but if he reads some of them, he will see that since I took on this job, I have spoken many times about the importance of maintaining standards, particularly in a changing world. People can look online for all kinds of information, gossip and so on, but TV needs to uphold standards in this changing world. That is incredibly important. I welcomed very much what the chairman of ITV said last week about the importance of the watershed. I note that one newspaper—*The Sunday Telegraph*, I think—did a survey that found a spike in programmes containing heavy use of swearing immediately after the watershed. I do not think that that is acceptable. The watershed is there as a guide to broadcasters. The public clearly understand that programmes can reflect the language that is used, but that there should not be gratuitous use of bad language on television.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Certainly I recognise that the BBC is still a great national institution and I am usually a great supporter of it. However, if we have a public sector broadcaster that is funded by the licence fee, should it not be more independent in its news gathering? Personally, I am sickened by the number of times we have to hear what the papers say and by how the lead from all that Conservative press outside is slavishly followed on the BBC. Why can it not get its own news?

Andy Burnham: If my hon. Friend looks at research into how the public value news, particularly that provided by the BBC, he will see that they find it to be trustworthy, impartial, accurate and of high quality. They depend on it very much and as far as I am concerned, the BBC continues to provide an excellent news service.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): The BBC should be providing programmes that the whole family can watch together. Does the Secretary of State agree that it would be nice to see "The Generation Game" return to our screens on Saturday nights, albeit not presented by Mr. Ross or Mr. Brand?

Andy Burnham: All of us, or most of us, are television viewers and it always tempting to pass comment on editorial matters in the House and amplify our views to the nation about the kind of programmes that we should be seeing. We should mainly resist the temptation to comment on editorial matters, although the temptation is great in my case, having seen the wonderful and talented Laura White harshly voted off "The X Factor" on Saturday. She happens also to be my constituent, so I should probably say no more on that topic. However, I hope that the hon. Gentleman will agree that this is not a good place for politicians to comment on every editorial decision that the BBC or other broadcasters take.

Andrew Mackinlay (Thurrock) (Lab): The millions of people who live in the counties in the M25 ring around London are much more numerous than all the people in Scotland, Wales and Northern Ireland put together, yet they are badly served by BBC news gathering and provision. It really is time that the Secretary of State told the BBC to get a move on and provide proper news reporting facilities and proper news programmes for places such as my area of Essex, on both radio and television, and to recognise that there are boundaries such as the Thames Gateway that need to be embraced. We are being badly served, yet we are millions of people more than those in the other countries, which, very important though they are, each have almost their own BBC Scotland service. Discuss.

Andy Burnham: My hon. Friend may not have noticed, but the BBC Trust is at present in a mode where it is receiving constructive criticism on the services that it provides. I would encourage him to make his views known to the BBC Trust, which I am sure will take the strength of feeling that he has just displayed on board.

Mr. Jeremy Hunt (South-West Surrey) (Con): Does the Secretary of State agree that one of the things that has emerged over the past few weeks from the Russell Brand-Jonathan Ross incident is that it is difficult for viewers to know exactly to whom they should complain if they are unhappy with BBC programmes that are funded by their licence fee? Should they complain to the BBC management, the BBC Trust or Ofcom? In view of that, does he agree that it is absolutely essential that viewers should be represented by an independent body that champions the needs of licence fee payers, and not by an organisation that defends the BBC as an institution?

Andy Burnham: Let me say quite clearly that the episode to which the hon. Gentleman refers was a serious lapse of broadcasting standards, and, indeed, of the editorial controls designed to uphold those standards. Furthermore, the BBC management was too slow to recognise the seriousness of the situation. However, I would refer the hon. Gentleman to the statement issued by the BBC Trust on 30 October, which set in train a whole range of actions to ensure that there would be no repeat of that episode. One example of those actions is the review of the BBC's editorial guidelines.

On the hon. Gentleman's wider point, I think that it is clear to the public that the BBC Trust can and will take the issues that are referred to it and challenge the BBC on them. It already has a record of doing that on behalf of the licence fee payer. It is also true to say that Ofcom has a role to play in taking a wider view of broadcasting and ensuring that standards across the board are upheld. Those two roles are complementary, and they are working well. Indeed, in this case, the regulators have set action in train and done their job.

Mr. Hunt: If the system works so well, will Secretary of State explain why it is so difficult for licence fee payers, even after freedom of information requests, to find out the salaries paid to BBC management or BBC stars? Should not the first lesson be that, if the BBC is to restore confidence in what it does, it needs to be totally transparent? This is our money, not the BBC's, and we are entitled to know how it is being spent.

Andy Burnham: I agree with the hon. Gentleman that the BBC Trust has a job to do in representing the licence fee payers to the BBC management and the BBC executive. I also agree that, if it is to do that job effectively, it is important for there to be proper transparency and disclosure of information that can have a bearing on public opinion in relation to the BBC. However, I would refer him to some of the strong actions that the BBC Trust has already taken since it came into existence. An example is the King report, which looked into news reporting across the four home nations. There should always be disclosure of information, where that is in the public interest, and if the hon. Gentleman would like to write to me to suggest further areas in which that could be improved, I shall give the matter my consideration.

Public Service Broadcasting

4. **Mr. Adam Holloway** (Gravesham) (Con): What recent discussions he has had with Ofcom on the public service obligations of the broadcast media. [233991]

The Secretary of State for Culture, Media and Sport (Andy Burnham): I have regular meetings with the chief executive of Ofcom to discuss broadcasting issues. These meetings often include discussion of public service obligations, which are central to Ofcom's current review of public service broadcasting.

Mr. Holloway: But apart from that, is there anything that the Minister can actually do to stop the slide into tabloid television at the BBC? For example, what could be done to reinforce the excellent and totally unbiased coverage by my sometime employer, BBC news and current affairs?

Andy Burnham: As I have said before, hon. Members will have their own views on the services provided by the BBC. However, it is important in this instance not to let the failings of one part of the BBC lead to a situation in which the whole organisation is tainted. There are many professionals within the BBC who provide an excellent standard of service, and we would do well to remember that. Clearly, there were serious failings in this particular case, but I urge the hon. Gentleman not to think that that damns all the BBC's coverage; it does not.

Mr. Denis MacShane (Rotherham) (Lab): Mr. Speaker, if I used that English vernacular word that begins with f and ends in k, you would chop me off at the knees—if not higher—before I had even got up. Yet all the broadcasters now use it regularly, and it is really offensive. This is not a watershed matter. There are plenty of children watching TV programmes on Friday, Saturday and Sunday nights after 9 o'clock. I have watched Jamie Oliver reporting from Rotherham, and I have watched quiz shows, and I hear f, f, f, f. Please tell the BBC and Ofcom that we do not hear that in France, Germany or America, so why, with our great language, does British broadcasting have to be in the linguistic sewer?

Andy Burnham: My right hon. Friend has expressed himself very clearly and trenchantly. The report that I mentioned a moment ago revealed an increase, indeed a spike, of bad language immediately after the watershed, which suggests that it needs to be said that it is not obligatory to use bad language after the watershed.

I believe that my right hon. Friend speaks for many people in the country in saying that while people accept that the language used on television programmes ought to reflect the language used in the country as a whole, there are occasions on which the line has clearly been crossed, and I know that others share the discomfort that he has so eloquently expressed.

Mr. Andrew Mackay (Bracknell) (Con): While I welcome the Secretary of State's desire for transparency in the BBC, may I tempt him to go a little further and say that, as BBC staff are public servants like Members of Parliament, its senior executives' salaries should be published, as should their expenses?

Andy Burnham: I do not consider it right for me, or any other Minister, to provide a running commentary on the levels of individual salaries in the BBC, just as it is not right for me to provide a running commentary on the salaries of footballers, although I am often asked to do that. However—*[Interruption.]* There is a "however" coming. However, there is significant public interest in these issues, and they do affect public confidence in the BBC. It is therefore important for the BBC management and trust to show sensitivity to them, particularly when market conditions are changing and the rest of the country is facing real pressure in an economic downturn.

I agree that a judgment needs to be made about these issues, and—as I told the hon. Member for South-West Surrey (Mr. Hunt) a moment ago—I believe that information needs to be released into the public domain to allow people to make that judgment.

Mr. Neil Gerrard (Walthamstow) (Lab): I am sure my right hon. Friend is aware that two of the three models for the future of public service broadcasting currently being considered by Ofcom would probably result in a narrowing of its provision. When he examines Ofcom's recommendations, will he please bear in mind that we do not want a watering down of broadcasters' obligations, or a restriction of provision to just one or two public service broadcasters?

Andy Burnham: I understand my hon. Friend's point. The issues that he has raised are very much up for discussion at the moment. The nature of our regulation of broadcasting, particularly commercial public service broadcasting, is changing. We need a debate to establish the best way in which to sustain the aspects that the public like and on which they depend, which will mean devising a new way of sustaining public service content beyond the BBC in the future.

I agree that it is important to have public service broadcasting that is more than the BBC, but precisely how that can be achieved is a matter for debate. As my hon. Friend will know, Lord Carter has been appointed to take a detailed look at the issues, and to report and make recommendations early in the new year.

Broadcasting (Scotland)

5. **Jo Swinson** (East Dunbartonshire) (LD): What recent representations he has received on the potential transfer to the Scottish Executive of his powers in respect of broadcasting in Scotland. [233992]

The Secretary of State for Culture, Media and Sport (Andy Burnham): None, other than from Ministers in the Scottish Government and Scottish National party Members of Parliament.

Jo Swinson: Although the Scottish Broadcasting Commission recently found that legislative powers over broadcasting should be retained at Westminster, it also concluded that broadcasting should be more accountable to the Scottish Parliament. That is in line with concerns across the whole United Kingdom about broadcasting. Does the Secretary of State not think that we need to find a better way for the voices of the nations and regions to be heard on this issue?

Andy Burnham: I welcome the final report of the Scottish Broadcasting Commission, entitled "Platform for Success". It has come up with balanced and measured conclusions. Indeed, it has drawn the only conclusions that could possibly be drawn by a review of broadcasting.

As I said to my hon. Friend the Member for Walthamstow (Mr. Gerrard) a moment ago, this is very much a live debate, and obviously the commission's regulations need to be fed into that process and given due consideration. I hope, however, that the hon. Lady will join me in welcoming the commission's explicit rejection of the break-up of broadcasting in this country and the balkanisation of the BBC.

Pete Wishart (Perth and North Perthshire) (SNP): I am glad that the commission's report has overwhelming and enthusiastic support from all parties in the Scottish Parliament. Can the Secretary of State assure me that he will work hand in glove with the Scottish Government to ensure that all its recommendations are implemented in full, particularly those that are within his gift down in this House?

Andy Burnham: I am interested to hear that the hon. Gentleman welcomes the report, as it was my understanding that his party's stated policy was to examine the case for devolution within broadcasting, whereas, rather embarrassingly for him and his colleagues, the commission has explicitly rejected the central argument it was set up to test. We will give the recommendations due consideration because they are important and they deserve to be given careful thought. *[Interruption.]* We will—*[Interruption.]* If anybody were to do that in the Select Committee that the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) chairs, I am sure they would receive a stern rebuke from the Chair. We will consider the recommendations, but I am glad that the main plank of the Scottish National party's argument on broadcasting has been broken by its own commission.

Licence Fee

6. **Mr. James Gray** (North Wiltshire) (Con): What recent discussions he has had with the BBC Trust on the licence fee. [233993]

The Secretary of State for Culture, Media and Sport (Andy Burnham): I have had no discussions on the current licence fee settlement, which was set two years ago by my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell). I have had discussions with the trust on future funding options for public service broadcasting as part of my regular dialogue with it and other broadcasters.

Mr. Gray: Despite the many good things they do, we have been giving the BBC and the BBC Trust a well deserved kicking this afternoon, but is the Secretary of State the slightest bit surprised that in this post-Brand, post-Ross era—and also in this post-digital era, where we can pick up hundreds of channels free of charge or at low cost—a recent MORI poll should discover that 47 per cent. of people asked concluded that £140 a year for the licence fee is very poor value for money?

Andy Burnham: I am disappointed at the tone of the hon. Gentleman's question. If he were to cast his mind back a little further than just the past two weeks, he would recall that many people in this House and beyond were deservedly congratulating the BBC on its superb coverage of the Beijing Olympics. I think that, on the whole, people get excellent value for their licence fee. The issues the hon. Gentleman identified were looked at when the charter renewal process was taken through by my right hon. Friend the Member for Dulwich and West Norwood, and there was found to be majority support for the continuation of the licence fee. There will always be a debate about whether it is set at the right level, but, as I have said, on the whole the BBC provides very good value for money, and British public service broadcasting, of which it is the bedrock, is admired around the world.

Mr. Eric Illsley (Barnsley, Central) (Lab): My right hon. Friend the Secretary of State said a few moments ago that it was not down to him to keep a running tally of salaries within the BBC, but does he think it is right for a senior BBC executive to be awarded a pay rise this year of £100,000, when other workers in public sector-funded organisations are required to accept pay rises at and around 2 per cent? Does he think that is a good use of licence fee payers' money?

Andy Burnham: What the BBC pays its staff is a matter for the BBC, but it is a matter for the BBC Trust to ensure that maximum value for money is achieved by the BBC management and executive. It is important that the BBC shows sensitivity on these matters and understands the wider climate in which we are all operating. If it does so, that is the right way to maintain high public confidence in the BBC in the long term.

ITV (Regional News)

7. **Norman Baker** (Lewes) (LD): What recent discussions he has had with Ofcom on the provision of regional news on ITV. [233994]

The Secretary of State for Culture, Media and Sport (Andy Burnham): Regional news provision on ITV forms a key part of Ofcom's current public sector broadcasting review and is therefore one of a wide range of broadcasting issues discussed at my regular meetings with Ofcom's chief executive.

Norman Baker: I thank the Secretary of State for that answer, and I hope that he will agree that, over the past 50 years, ITV's regional news output has been one of the great successes of that channel. However, will he also accept that we are now seeing a series of highly regrettable cuts in excellent areas such as Meridian? What steps does he feel he can take to ensure that either ITV or a different public service broadcaster provides regional news as an alternative to the BBC?

Andy Burnham: As I said earlier, it is important to understand that the ITV licences are changing. A phrase was used some time ago—that they were a licence to print money. That is changing as we move to a world where the ITV franchise is not very different from others in a multi-channel world. However, I agree with the hon. Gentleman that regional news and production is one of the successes of ITV over many generations—the company's regional roots are what many people like about ITV. It has put forward revised proposals on regional news, and Ofcom is conducting a consultation on them until early December. I am sure that Ofcom will bear in mind the views that the hon. Gentleman has just expressed, but I also urge him to make further representations before the closure of that deadline.

Fiona Mactaggart (Slough) (Lab): Is the Secretary of State aware that there is real concern among local newspapers about the competitiveness of the local media market? They believe that the BBC's most recent attempt to spend £68 million on an online video service will interfere with their ability to make a profit out of their local internet-based services.

Andy Burnham: I recognise the concern in the newspaper and publishing industries about the proposals, and the BBC Trust will consider this issue later this month. Regarding the job that the trust does, in addition to the issues I mentioned earlier, it is now required to conduct a wider public value test on any new services that the BBC intends to introduce, which includes a market impact assessment. The trust is therefore required to consider these issues in the round, and not just to look at the BBC. As my hon. Friend said, there are widespread concerns. They have been expressed to the trust, and I am sure that it will take them into account.

Mr. Graham Stuart (Beverley and Holderness) (Con): Further to the question from the hon. Member for Slough (Fiona Mactaggart), local newspapers are among the most vibrant and dynamic locally based institutions in this country, ensuring that our democracy is delivered locally, as well as nationally. As we have seen with the impact on regional news, the BBC's going in further and driving local newspapers out of business will have a major impact on the variety and diversity of our media. This creeping monopoly cannot be allowed to proceed, and we cannot leave this issue to the chairman of the BBC Trust, when it is the Secretary of State who should defend the right of the people to have the news provided locally.

Andy Burnham: I agree with the hon. Gentleman that local newspapers are a much-valued part of the media industry. My constituents, I am sure, are very similar to his, and they depend on the local press in the Leigh area as a trusted source of news. I also appreciate the urgency of these issues. Two respected national newspaper editors are writing about them in today's *Media Guardian*, presenting a well-argued and persuasive case for ensuring that we appreciate the pressures on the newspaper industry. All these issues will be considered in the round, and that is why I say to the hon. Gentleman that that is the job of the BBC Trust. It is able to take a broader view, and it is important that we let it do its job.

Sport England

9. **Mr. Graham Allen** (Nottingham, North) (Lab): What discussions he has had with Sport England on its contribution to the development of community sporting facilities as part of regeneration initiatives; and if he will make a statement. [233997]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I have had no recent discussions with Sport England on this matter. However, we do recognise the key role that sports facilities can play in shaping and invigorating communities. Sport England is helping local authorities to plan strategically, so that we have the right facilities in the right places to benefit the whole community.

Mr. Allen: My hon. Friend the Minister knows that I will continue to press him gently but persistently on the point that, although we are all very proud that the Olympic games are coming to the UK, sport has a fantastic role to play in regenerating our local communities. I hope that he has had a chance to read the document that I sent him from Sport Nottingham—part of the One Nottingham partnership's effort—which is designed to get young people actively involved in our communities through all the things that sport can teach them about leadership, teamwork and so on. Yes, we all applaud the Olympics, but, equally, will he ensure that our efforts on community regeneration through sport continue unabated?

Mr. Sutcliffe: I congratulate my hon. Friend, who chairs One Nottingham, on the way in which it has examined the strategic position of sport in its community—that is what we want to see. Sport can provide benefits, be it in health and education, or in reducing offending. It is important that everyone benefits from the London 2012 Olympics. We need to work with Sport England and local communities to ensure that sport and world-class facilities are available to everyone, in all our communities.

Topical Questions

T1. [234008] **Simon Hughes** (North Southwark and Bermondsey) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for Culture, Media and Sport (Andy Burnham): Last week, the four-year digital switchover process began smoothly in the Border region. A range of organisations have worked well together to make that possible, particularly the local organisations, including the Scottish Borders council and The Bridge community organisation, and the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore). I am sure that the whole House will want to join me in passing on our thanks to them. Tomorrow, VisitBritain will publish Deloitte's report on the contribution of tourism to the economy.

Simon Hughes: I thank the Secretary of State for his response. He will be aware that one of the big concerns the length of the country is the pocket money pricing of alcohol in respect of off-sales from supermarkets and other such places. Given that today's Select Committee on Home Affairs report on policing contained a specific recommendation to his Department and that the "Tackling

Booze Britain" report by my Liberal colleagues asks that there be a minimum price for alcohol sales, and negotiation with the EU, if necessary, can he give an undertaking that this issue will be addressed by his Department, so that we can stop vodka, other spirits and beers being bought for cheaper than almost everything else that is available in many of our supermarkets?

Andy Burnham: I certainly recognise the importance of the issues that the hon. Gentleman has raised. He will know that the Government have in hand a review of alcohol price, promotion and harm. I have not yet had a chance to study all the Committee's report, but I have had a look at the sections that relate to my Department. I believe that the Committee's Chair was on the radio this morning saying that he did not see evidence that the Licensing Act 2003 had contributed to fuelling alcohol-related violence, although the Committee did say that it did not believe that the full powers of the Act were being used properly to target and clamp down on problem areas. We recognise that conclusion; indeed, we have said a similar thing ourselves. We will study the Committee's report carefully, but I can say that I agree with that central recommendation.

T2. [234009] **Hugh Bayley** (City of York) (Lab): York's designation as an area of archaeological importance protects the unique and irreplaceable archaeological remains below the city's streets from being dug up by public utility companies. The York-based Council for British Archaeology and the York Archaeological Trust are worried that the designation could be changed in the new heritage Bill. Will the Minister be willing to meet me, and archaeologists from York, to discuss our concerns?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): I would be extremely happy to meet my hon. Friend; in fact, I have a date in my diary for 15 December.

T3. [234010] **Mr. Andrew Robathan** (Blaby) (Con): Are we all invited?

Before I go back to reading the Secretary of State's excellent speeches, may I ask him whether he heard a senior BBC executive say that younger people felt that the swearing, foul language and appalling behaviour of Russell Brand and Jonathan Ross was acceptable? Is this not the point: younger people have heard a lot of swearing and seen appalling behaviour on the TV—and heard it on the radio—so believe that such things are acceptable? They reflect the language and whatever they see on the BBC and on other things. Is this not another example of the rarefied behaviour of BBC executives, which leads them to paying Jonathan Ross £6 million a year of the money that comes from every member of the public walking the streets?

Andy Burnham: I do not recall the comments to which the hon. Gentleman referred. If he wants to send them to me, I will read them carefully. I refer him to the points I made earlier about the review of the BBC's editorial guidelines. It is crucial that those guidelines reflect majority opinion in the country about what it is and is not acceptable to broadcast. I share his concerns about the excessive use of bad language on television. It is important that broadcasters listen to public concern about those issues and ensure that what they broadcast on our screens is acceptable, high-quality entertainment without resorting to cheap headlines or ways of generating cheap publicity.

T5. [234012] **Rob Marris** (Wolverhampton, South-West) (Lab): In spring last year, Sporting Equals was directed by the Government to produce—as a priority—policy guidance on the issue of racial abuse in sport. That guidance is 14 months overdue, with two missed deadlines, and now no production date has been set at all. Why is the publication of that guidance so lamentably delayed? Is racial abuse in sport sadly no longer a priority for the Government?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): Clearly, any form of racism in sport is unacceptable. I apologise to my hon. Friend for the time that it has taken for Sport England and Sporting Equals to come up with those guidelines. I will ensure that they respond more quickly than the deadline that he has set, because I believe that it is important that this House ensures that we do not accept racism of any form in sport.

Mr. Jeremy Hunt (South-West Surrey) (Con): Will the Secretary of State confirm rumours that the heritage protection Bill has been dropped from the Queen's Speech? If that is the case, is that not the final nail in the coffin for the Government's heritage policies? We have seen lottery money plundered, the Government telling churches to turn themselves into cafés and gyms and now the denial of the vital parliamentary time that would allow the heritage sector better to look after the heritage that belongs to us all. When can we have a positive vision for our heritage sector? Is it condemned to yet more years of neglect and decline?

Andy Burnham: I do not accept the hon. Gentleman's criticism. In the recent spending round, English Heritage received an increase in funding. We have worked with all parties in the heritage sector to introduce the first heritage protection Bill for 30 years. That is clear evidence of the Government's commitment to the sector. The hon. Gentleman knows that I cannot comment on the Queen's Speech in advance of its publication. However, he will know that the Planning Bill will require us to bring forward a new planning policy statement on the built heritage, replacing planning policy guidance 15 and 16. We will do so shortly, and we will issue that statement for consultation. We recognise the importance of the built heritage and we are taking active steps to protect it.

T6. [234013] **Nia Griffith** (Llanelli) (Lab): What talks has my right hon. Friend the Secretary of State had with Treasury colleagues about the "Subs for Clubs" campaign to extend gift aid to cover junior member subscription fees? That would greatly help clubs such as Llangennech rugby football club in my constituency, which does outstanding work with young people.

Mr. Sutcliffe: We continue to talk with the Treasury and others to ensure that we try to maximise the advantage to clubs of the CASC—Community Amateur Sports Clubs—scheme. It is an important scheme that delivers on the ground and we want to encourage more clubs to

take part. We are continually discussing ways of trying to support local clubs. Llanelli is a well-known club in Wales, and it was sad to see the team leave its old ground after the game on Friday. We will work hard to make sure we support amateur clubs.

Mark Pritchard (The Wrekin) (Con): Some time ago, the former Secretary of State gave a commitment that the Lilleshall national sports academy, in my constituency, would become a regional training facility for the 2012 Olympics. Will the Minister confirm that that is the case? What is the timetable for bringing that facility on stream?

Mr. Sutcliffe: There are a number of training facilities across the country and we have supported their bids to be training camps for 2012. It is now up to the countries that want to come to those training camps to put bids in, and we will support Lilleshall in the same way as anywhere else.

T7. [234014] **Mr. John Grogan** (Selby) (Lab): Do Ministers see merit in changing the taxation system for the national lottery and introducing a gross profit tax, such as that used in other gambling sectors, in order to increase turnover and the amount of money that is available for good causes?

Andy Burnham: There is merit in that argument, but there are also potential downsides. It is important that the public have confidence in the tax arrangements relating to the national lottery and we keep these matters under active consideration.

Bob Spink (Castle Point) (UKIP): Does the Minister accept that swimming is an important skill, especially in an island, or a seaside community such as Castle Point, so will he give us a progress report on the free swimming initiative?

Mr. Sutcliffe: I am happy to report that more than 80 per cent. of local authorities support the free swimming initiative for the over-60s and the aspirations for the under-16s. I am concerned, however, that a number of local authorities are playing politics with the issue by not investing their own money in supporting free swimming. It is important that people see the issue for what it is: it came from local government, and many local authorities funded it from their own resources. The Government supported the scheme and have put money on the table, but we are being thwarted by a number of authorities that would rather play politics than deliver free swimming for their constituents.

T10. [234017] **John Robertson** (Glasgow, North-West) (Lab): My hon. Friend the Minister will be aware that Insight radio, in Partick in Glasgow, for partially sighted and blind people, is doing a great job and is about to roll out across the country. Will she consider having that excellent radio station put on Freeview, which is after all paid for by licence holders, so that blind and partially sighted people throughout the country have better access to the radio station?

Barbara Follett: I am happy to meet my hon. Friend to try to resolve the situation with him.

Kerry McCarthy (Bristol, East) (Lab): Does my right hon. Friend agree that it is hard to imagine circumstances in which it would be appropriate or acceptable for a child to find out who their father is by means of a DNA test result revealed on daytime TV? Is he aware of my forthcoming ten-minute Bill, which aims to encourage broadcasters to act more responsibly in that and other matters involving children?

Andy Burnham: I did not see the programme, although I am aware of the concerns that my hon. Friend has raised. In principle, it is completely unacceptable for that to happen. In the live debate we are having about broadcasting standards, my hon. Friend is right to raise her concerns and as I said about other issues we have discussed, there should be no repeat of those circumstances and processes should be strengthened to ensure that is the case.

OLYMPICS

The Minister for the Olympics was asked—

Expenditure

1. **Mr. David Heathcoat-Amory** (Wells) (Con): What her most recent estimate is of the cost to the public purse of hosting the London 2012 Olympic games; and if she will make a statement. [233980]

2. **David T.C. Davies** (Monmouth) (Con): What her most recent estimate is of the cost to the public purse of hosting the London 2012 Olympic Games; and if she will make a statement. [233981]

The Minister for the Olympics (Tessa Jowell): The estimate of public expenditure on the London 2012 Olympic games remains within the £9.325 billion package that I announced in March 2007. I provided further details of the budget in my statement of December 2007 and in my six-month progress updates of January and July 2008. The next progress report, setting out the budgetary changes in detail, will be in January 2009. After that, as part of my commitment to transparency—making the details of the budget as widely available as possible—I shall move from providing financial updates on a six-monthly to a three-monthly basis.

Mr. Heathcoat-Amory: That £9.3 billion estimate is an increase from the figure of £4 billion originally given to the House, which is an appalling overspend even by the lax standards of this Government. Will the Minister assure the House that the present economic recession will not add further to the public cost, either to the taxpayer, the council tax payer or indeed the national lottery, which has already been raided for the Olympics? Will she give an undertaking that the £9.3 billion estimate will be a full and final figure within which the Olympics must live?

Tessa Jowell: Given that the figure of £9.325 billion includes a contingency of £2.7 billion not included in the original figure, I have made it absolutely clear to all the many stakeholders in the Olympics that

£9.325 billion is the absolute limit of public money, whether it comes from the lottery, the London council tax payer or the Exchequer.

David T.C. Davies: Given the extraordinarily large salaries being paid to the organisers of the Olympic games for what is, after all, meant to be an amateur contest, does the Minister agree that it might concentrate their minds a little if they were told that any further increase that impacts on the taxpayer at all - whether directly or indirectly—should be matched by the same percentage decrease in the salaries that they receive?

Tessa Jowell: First, I should like to make it absolutely clear that people of world-class experience and stature are working on the project. That is why all the major projects in the construction programme are already on budget and on time. The hon. Gentleman proposes his various flamboyant—*[Interruption]* imaginative—ideas on how costs will be controlled. The fact that we have such high-calibre people running the construction of the Olympic park means that we have made very good progress.

Joan Ryan (Enfield, North) (Lab): What recent discussions has my right hon. Friend had with local authorities, such as mine in Enfield, to ensure that they are doing all that they can to use the Olympics to encourage sport at grass-roots level? She will know that my local authority has a very poor record on sports and leisure provision and was recently dumping rubbish in our athletics stadium, so I am very concerned to know that we are putting pressure on them to ensure that our young people in Enfield get the benefit of the Olympic games.

Tessa Jowell: My right hon. Friend is absolutely right, and I pay tribute to the work that she has done with constituents to ensure that they derive full benefit from the London 2012 games. She is absolutely right to point to the variation in the initiative and imagination shown by local authorities, not just in London but across the country. There are many incentives: the opportunity to host training camps and to maximise the number of local volunteers. The opportunity is part of the economic development strategy to bid for contracts. Of course, there is the opportunity to win the right to show the Inspire mark, which is a symbol of excellence in achievement by organisations, clubs and individuals around the country. Yes, local authorities have got an absolutely key role to play in ensuring that these are the UK's games in London and that every community has the opportunity to become involved and to show the kind of leadership that she has shown in making that happen.

Mr. Frank Field (Birkenhead) (Lab): May I ask the Minister to keep her beady eye on who is getting the jobs from this record public expenditure? Is she aware from the latest figures for new national insurance numbers that, in Newham alone last year, 20,000-plus national insurance numbers were issued to non-British workers? Will she hold discussions with the contractors to ensure that local people get a far better share of the new jobs than they are getting currently?

Tessa Jowell: I am grateful to my right hon. Friend and hope that he will continue to press this issue, on which a clear commitment has been shown by the Olympic Delivery Authority. Of the people now working on the construction of the Olympic park, 25 per cent. are from the local Olympic boroughs and 10 per cent. were previously unemployed. The ODA has commissioned a tracking study to ensure that the people who have been counted as local really are local, rather than transient. I thank him for his vigilance and very much hope that we can live up to his very high expectations.

Hugh Robertson (Faversham and Mid-Kent) (Con): I am sure that hon. Members on both sides of the House will welcome the assurances that the Minister has just given to my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), but can I tempt her to go a little further? Surely, given the current economic situation, which was not predicted at the time of the March 2007 budget announcement, a number of the costs contained in that budget must have fallen, while others have risen. Does she agree, and when does she anticipate being able to amortise them?

Tessa Jowell: Yes, I agree, and those figures will be published, as soon as they are ready and robust, at the time of the January publication of the quarterly report.

David Taylor (North-West Leicestershire) (Lab/Co-op): Parts of the costing equation still seem rather vague, not least the £1 billion for the athletes village and the £400 million for the broadcasting and media centre. Will my right hon. Friend tell me whether the formula, under which it was anticipated that £650 million would come from the private sector to underpin running costs, will deliver that sum? Seven tier 1 sponsors have been recruited, which is good news; that is £350 million. However, in this economically pressed time, will we get the other £300 million from smaller firms?

Tessa Jowell: Let me separate out two elements from my hon. Friend's question. First, as he will know, the private-sector contribution to the construction of both the Olympic village and the press and broadcast centre is subject to renegotiation in the light of the economic downturn and the reduction in the equity and contingent borrowing available. Again, it is important that the House understands the Olympic village's investment in new homes for the people of east London. Decisions will be taken about the scale on which the press and broadcast centre will be built, depending on the certainty of legacy.

The second part of his question was, I think, essentially about the amount of sponsorship raised by the London Organising Committee of the Olympic Games and Paralympic Games. I can assure him that it is on target to meet its sponsorship goals. It has already raised more money at this stage than any previous Olympic city. However, it would be ridiculous to pretend that the economic climate is as easy and susceptible as it was when we made the bid. In these circumstances, LOCOG is doing an extraordinarily good job of raising money.

Tom Brake (Carshalton and Wallington) (LD): Will the Minister confirm that if the cost to the public purse soars to such an extent that Olympic projects are put at risk, Ministers will prioritise critical infrastructure

investment projects, such as the £91-million north London line proposals, rather than spending money on a massive media centre, more £40-million contracts for management consultants, or adding to the 1,000 members of staff already working on the Olympics?

Tessa Jowell: I am afraid that that is a rather half-baked Liberal Democrat analysis of the accounts. Expertise was brought in for the Olympics early on. That is why we are on budget and, so far, on time for all aspects of the development. Without going into the rest of the rather cheap and unsubstantiated points that he makes, I can absolutely confirm that legacy is the basis on which long-term investment decisions about the Olympics will be made. Before we make a major commitment of money, we want to be absolutely convinced that there is a legacy to be realised. Those decisions and judgments will shape the conclusions about the nature of the broadcasting centre that is to be constructed; construction is due to begin next spring.

Commonwealth Games

3. **Jo Swinson** (East Dunbartonshire) (LD): If she will ensure that the preparations for the London 2012 Olympics complement preparations for the Glasgow 2014 Commonwealth games. [233982]

Tessa Jowell: Hosting the Olympic and Paralympic games in London in 2012, and the Commonwealth games in Glasgow in 2014, presents a unique opportunity to realise sporting, business and cultural benefits for the whole of Scotland. Ministers and officials are in regular contact on preparations for both London 2012 and Glasgow 2014. As my right hon. Friend the Secretary of State for Culture, Media and Sport would agree, both events are regularly discussed at meetings of the Sports Cabinet. Officials have shared experience of various issues, including Government guarantees, legislation, advertising controls and ticket-touting.

Jo Swinson: The UK is fortunate to be hosting two great international sporting events within the space of two years, but it is vital that Glasgow in 2014 is not seen as an afterthought. What further steps will the Minister take to improve joint working, and particularly to ensure that companies can benefit from the experience of working on both events? With Scottish companies so far winning only 2 per cent. of the contracts for 2012, despite making up 7 per cent. of UK businesses, the signs are not promising.

Tessa Jowell: A real drive from the Scottish Executive to maximise the benefits to Scotland of the contracts, for instance, would be one way forward, as would accepting my right hon. and hon. Friends' invitations to meet Scottish Executive Ministers regularly to provide support and know-how in hosting the 2014 games. Sadly, however, it seems that the Scottish Executive have declined the offers of help that have been extended to them.

Point of Order

3.35 pm

Greg Mulholland (Leeds, North-West) (LD): On a point of order, Mr. Speaker. While I accept that we are all fallible in terms of the potential to leave on our mobile phones, may I recommend to the House a scheme in operation at Leeds city council, whereby the lord mayor of Leeds fines a council member when his or her phone rings? May I suggest that you, Mr. Speaker, consider a suitable charity and introduce a similar scheme in this House?

Mr. Speaker: I have no powers to fine hon. Gentlemen—or hon. Ladies, for that matter.

Opposition Day

[20TH ALLOTTED DAY]

Economic Crisis

Mr. Speaker: I inform the House that, in both debates, I have selected the amendments in the name of the Prime Minister.

3.36 pm

Dr. Vincent Cable (Twickenham) (LD): I beg to move,

That this House is concerned at the increasing difficulties caused by the current economic crisis to many British citizens in maintaining their homes, paying their bills and providing for themselves and their families; believes that these problems originated not just in the global financial system but in unsustainable levels of personal borrowing and house prices which were overlooked by Government policy; is alarmed at the steep rise in mortgage arrears and repossession orders; regrets that, despite receiving £500 billion of taxpayers' money, the banking industry has failed to respond adequately to the needs of its customers or modify sufficiently its behaviour in respect of mortgage interest rates, new lending to struggling small businesses and its bonus culture; notes that the Bank of England has implemented the 2 per cent. cut in interest rates which the Liberal Democrats called for and urges it to make further cuts if the economy deteriorates further; and calls on the Government to introduce an immediate substantial cut in income tax to benefit low income and standard rate taxpayers, paid for by wealthy individuals who profited disproportionately from the economic boom and who do not pay their fair share of tax.

Having checked that I have switched off my mobile phone, it is a pleasure to introduce an Opposition day motion that stands in my name and in those of my colleagues. Our purpose in bringing it to the House is to give Members an opportunity to review the rapidly deteriorating economic situation and to air some ideas and options about how it might be dealt with in the run-up to the pre-Budget report.

We have noticed a pattern developing in the past few weeks whereby we come up with ideas and, whether they are on housing repossessions, interest rates or tax cuts, within a few days or even weeks, they are rapidly followed by the Conservatives, the Government, or both. We might almost say that the road to Damascus is becoming severely congested as they queue up to adopt our policies in different respects. Unfortunately, some Government Front Benchers do not convert quickly enough, and as a result, they leave themselves feeling somewhat embarrassed.

I am glad that the Exchequer Secretary has been brave enough to come back to the House after the previous such Opposition day debate, because she may already realise that her comments on that occasion have become the stuff of radio and television comedy shows. I shall quote one of her more memorable observations during that debate:

"The Liberal Democrat motion has been much commented on, possibly because it reads like the storyboard for "Apocalypse Now", or perhaps even "Bleak House". According to the motion, we are facing...the 'risk of recession'...Fortunately for all of us, however, that colourful and lurid fiction has no real bearing on the macro-economic reality."

[Dr. Vincent Cable]

It is only fair that we do not isolate the Exchequer Secretary too much, however, because Labour Back Benchers faithfully echoed everything that she said. I do not want to criticise a gentleman in his absence, but I am sure that he will not mind my quoting what he said. He is one of the more distinguished—*[Interruption.]* Indeed, he is here now. The hon. Member for Leeds, East (Mr. Mudie), who is a very distinguished and respected member of the Select Committee on the Treasury, said on that occasion:

"I do not see how anyone can table a motion that suggests that we are nearing a recession".—[*Official Report*, 2 April 2008; Vol. 474, c. 824-5, 810.]

Well, things do change in a six-month period.

It is not just Government Members, however; the habit has spread. The Conservative shadow Chancellor is not present, but I remember that when I last spoke about economic matters, he intervened to rebuke me for irresponsible behaviour in respect of interest rates. On 14 October, he said:

"By the way, I do not think that it is particularly sensible either for politicians speaking from the Front Bench to call on the Bank to cut or increase interest rates. Indeed, I make it a practice not to comment on them."—[*Official Report*, 14 October 2008; Vol. 480, c. 708.]

Well, I followed the hon. Gentleman last week around the television studios, where he claimed credit for having anticipated the cut in interest rates. Indeed, there was some mysterious process of intellectual osmosis by which the idea had communicated itself to the Monetary Policy Committee of the Bank of England, and for which he wanted to claim full credit.

Without indulging too much in anecdote, however, I think that it would be useful to record some of the facts of the current economic situation. Those of us who talk to local business groups know that the position is really dire and will feed through to statistics in the coming months, but let us stick initially to the facts. The Government's own figures recorded a decline in output in the third quarter, and that represents a fall over the year. The International Monetary Fund predicts a stagnation of growth this year and a decline of 1.3 per cent. next year, which it believes is the deepest cut in any major western country.

We talked at length about the housing market in our last Opposition day debate. The main market indicator suggests that there has been a 15 per cent. fall from the peak at the end of October last year and that house prices at auctions have now fallen by 30 per cent. since last year. It is worth contrasting that with what the former Financial Secretary to the Treasury told us when we debated this subject a few months ago:

"House price inflation is declining, but it is doing so relatively gradually, and house prices remain higher than they were a year ago."—[*Official Report*, 2 April 2008; Vol. 474, c. 803.]

The Government told us that repossessions were not a problem, but they have doubled since the first quarter of 2007; at the end of October this year, they were 71 per cent. up on the year before. The latest figures suggest that there were more than 4,000 insolvencies in the third quarter of 2008—a 26 per cent. increase on the corresponding quarter the previous year. The unemployment rate is, mercifully, much lower than during the last recession, but at 5.7 per cent. on the international measure it is up worryingly, although we hope that it will not reach those alarming levels of the early 1990s.

Those are the facts, although we will no doubt argue endlessly about the causes. A reasonably fair-minded view is that the problems and the depth of the recession that we now face are partly due to domestic policy failures and partly due to international factors beyond our control. As far as domestic policy failures are concerned, it is reasonable to point out the growing consensus that there was an excessive build-up of personal household credit linked to the boom in the housing market. We warned about that for the first time back in October 2003. Others, including the IMF and the Governor of the Bank of England, also issued warnings; even Conservative Front Benchers eventually spotted that there was a problem—the shadow Chancellor referred to it for the first time in January 2007. Clearly, there is now an acceptance that that major UK problem was domestically generated.

There has also been an international banking crisis, for which obviously the Government are not responsible, at least directly. We should not be too complacent about that, however, because much of the shadow banking industry that originally grew up on the back of sub-prime lending activity originated or developed in the City. Until very recently, there was extraordinary hubris and complacency about the workings of financial markets in the City. A few months ago, the Minister's predecessors were talking to us in loving terms about how the City operated, a bit like little boys who had just discovered an unexploded bomb and thought that it was a shiny new toy. The Minister's predecessors now realise that many of the activities that were taking place were dangerous.

Mr. Andrew Pelling (Croydon, Central) (Ind): It is a great pleasure to intervene on a Member who will single-handedly save so many seats for the Liberal Democrats. Is not the issue about seeing the solutions rather than trying to place blame for what happened in the past? The hon. Gentleman has detailed the damage done to the banks. Does he agree that, following the rescue of the banks, one of the solutions is to repair them, take the bad debts off their balance sheets and create a bad bank solution, as has been done successfully in Sweden, and is now also being attempted in Switzerland?

Dr. Cable: That is a helpful prompt; I was about to move on to the positive suggestions, and the hon. Gentleman is right to say that we should spend our time and energy on them. He has anticipated one of the points that I was going to make: the British bank rescue plan—the recapitalisation—was right, necessary and appropriate, but it is only one half of the solution, and there is the other half to deal with.

In talking about where we move from here, we should start with the bank rescue proposal, as the hon. Gentleman suggested. We supported that; it was right and timely. However, we now know a little more about what is going on and can ask more critical questions about how the process is developing.

One of the key questions concerns the nature of the commitments that were entered into between the Treasury and the banks when the recapitalisation programme and insurance of inter-bank lending were entered into. On one of the key commitments, we have debated several times the precise meaning of the statement that

"the Government has agreed with the banks"

on

"maintaining...the availability and active market of competitively priced lending to homeowners and small business at 2007 levels".

It becomes more important that we establish exactly what that commitment meant and what was understood about what would happen.

Let me put a series of specific questions to the Government. Are they or anybody else actually monitoring the amount of business lending, in particular, that is taking place? Are they monitoring on a weekly or monthly basis how much credit is going from each individual bank into the business sector? I hear anecdotes—I cannot prove this—that several of the banks have instructed their managers to cut credit and are incentivising them to do so. One way of proving or disproving that point would be to have evidence, and I hope that the Government are monitoring it very carefully. Do they have any mechanism for telling us what is happening as regards the flow of funds?

What instructions have been given to the Government directors? Do we know who they are? What were their letters of appointment? What have they been told to do? They appear to have a very simple mandate, which is not to interfere, but that is clearly creating a problem in itself.

Mr. John Redwood (Wokingham) (Con): Does the hon. Gentleman accept that the Government are saying two contradictory things to the banks? Through their regulator they are saying that the banks have to improve their ratios, which means cutting their loans as well as increasing their capital, and through their guidance they are saying that the banks need to increase their loans, which would worsen their ratios?

Dr. Cable: The instructions are indeed contradictory, and we need more clarity. In fact, they are not the only instructions that the banks are being given. As of the other day, we understand that the Government have now told the banks to pass on interest rate cuts—a third objective. Again, we need to understand the implications. The banks tell us that they are making a loss by doing that; I do not know whether that is true, but we need to understand precisely what the banks are being instructed to do and in what circumstances.

Susan Kramer (Richmond Park) (LD): I have checked on the internet with several banks today, and rate cuts are certainly being passed on to savers. For example, a product that was available with 6.9 per cent. interest two weeks ago is now down to 5.7 per cent., which seems to be the best deal available. Does he agree that that does not seem to be matched by the offers being made to mortgage holders?

Dr. Cable: Indeed. The banks are simply widening their spread. That is their objective, as the right hon. Member for Wokingham (Mr. Redwood) suggested. The Government appear not to have thought through the implications of the agreement that they reached.

What precisely was the understanding on bonus arrangements, which have been criticised in all parts of the House? Quite lavish bonus arrangements have been proposed by Lloyds TSB, which is one of the beneficiaries of the process. Mr. Hornby, who on any conceivable measure could be described as a business failure, is now being very lavishly rewarded by his new employer, Lloyds TSB. How is it possible that the Government reached a very specific agreement with the banks on bonuses only to have them completely disregard it?

Let me make various suggestions on the banking programme before we move on. First, it is clear, as we have heard in the previous two interventions, that merely telling the banks that the Government are going to operate on an arm's length basis is causing confusion. The rational response of the banks is to build up their reserves to get the Government off their backs as quickly as possible so that they can pay dividends and bonuses. The Government's ambition appears largely to be limited to getting the taxpayers' money back as quickly as possible. While those objectives seem rational in themselves, pursued in isolation they potentially have devastatingly negative consequences. If the economy goes into a downward spiral and business credit is cut off, that further increases bad loans, which increase the amount of the recapitalisation that will have to take place. Can the Government be absolutely clear about whether they are going to intervene to give the banks more specific instructions?

Secondly, can the Government tell us why they are now proceeding, in terms of their approvals, with the Lloyds TSB-HBOS merger? There may well be good commercial and public policy reasons for that, but I think that they are assuming that because it made sense six weeks ago in order to rescue HBOS from collapse, it still makes sense today. There are growing numbers of authoritative people in the banking system who say that it does not make sense. They want to have the options re-examined and they want alternative bids to be looked at properly. Along with Tavish Scott MSP, I have written seeking an appointment with Mr. Hornby and Lord Stevenson to explain why they are not willing to reopen matters on the part of HBOS. There is also a question for the Government, however. Will Ministers explain why they are allowing matters to proceed? The deal may well be beneficial to Lloyds TSB, but why is it in the national interest?

Finally on the banking system, what the Government did in broad terms made sense in the context in which they introduced it, but a whole set of other problems are now coming over the horizon that have not yet been discussed. When will the Government discuss them? One of them was raised from the Back Benches a few moments ago: we have had half the policy. The Swedish model had a combination of elements, one of which was recapitalisation, and another concerned the "bad bank"—the Paulson-type plan, and the Americans have had the other half of the programme, but are the Government going to bring both halves together, and how will they do so? Are they thinking ahead to how the new banking system will operate?

We are discussing at the moment a Banking Bill that is valid in many respects, but is limited in what it covers. It does not explain how the banking system, once it has emerged from its massive heart attack, will lead a different kind of lifestyle. One thing that cannot continue is the ambiguous relationship in which banks have what Cruickshank called eight years ago "regulatory privileges"—they depend on being bailed out, in other words—while they continue to operate on the maximisation of shareholder value. That contradiction cannot continue, and the Government need at an early stage to give ideas as to how they will deal with that problem.

My second point about forward-looking policy concerns housing, which is the sector that has been most damaged. We encouraged the Government to pursue an idea that

[Dr. Cable]

they had some months ago of buying up empty property and land, which is now available at heavily discounted prices, so that registered social landlords can increase the availability of social housing, thereby providing an injection into the building industry. Although the Government are talking the right language, the feedback that I have received suggests that absolutely nothing is happening. It appears that approval was given for £8 billion of investment in social housing, but that the money is not reaching the social landlords. There are problems with the Treasury funding arrangements and the rental arrangements that operate under Treasury rules, which are preventing progress from being made with the programme. Will the Government tell us how much of the social housing package has reached the social landlords, and how many houses they propose to proceed with in the context of the emergency to which we are told that they are reacting?

On repossessions, 10 days ago, at Prime Minister's questions, the Prime Minister told us that the Government have proceeded with fresh instructions to the courts on how to handle repossession cases. We had been urging that, and we welcomed it at the time. The feedback I have received suggests that no instructions have yet been given, or if they have been, they are very discreet. No one is aware of any change in practice being communicated to the courts that process such matters. Moreover, there is an extremely alarming story in the *Financial Times* today, which says that banks and building societies whose clients are in arrears for a few weeks can proceed to repossession without going to the courts; they simply issue an instruction to the bailiffs to repossess after a few months' arrears. The Government need to tell us how, through legislative or other action, they will prevent a cascade of repossessions from proceeding through the winter, as growing numbers of people find that they are on short-time working hours, losing overtime or losing their jobs, and simply cannot afford their payments.

Thirdly, we had a debate on small business a week or so ago, which my hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso) introduced. I do not want to go into further detail on the measures involved, but how will the Government develop the helpful ideas they have already set out for accelerating payments to small businesses that are involved in Government contracts? Will that extend to the vast numbers of quangos that operate under Government scrutiny? Will it be used for companies that are subject to Government procurement? The 10-day payment—the accelerated payment—is a good principle, but how far will the Government spread it? How far has the programme already gone?

Bob Spink (Castle Point) (UKIP): Will the hon. Gentleman extend his advice to the Government by asking them to ask Her Majesty's Revenue and Customs to take a more sympathetic and reasonable attitude to those who owe the Government money in back taxes, and to agree more achievable repayment systems and schemes?

Dr. Cable: Indeed, the Government could take a variety of steps, and the hon. Gentleman suggests one. The small Government loan guarantee scheme has not been updated to take account of current realities. Given the strength of the Government's balance sheet relative to the private sector, the Government could do a variety of things to help. They have made several helpful gestures, but they could go much further.

Let me consider the issue of the day—tax cuts. I approach the matter with caution, given that the Conservatives and the Government seem desperately anxious to run on to the ground that we staked out. Our approach was that there should be tax cuts for people on middle and low incomes, for which people who are relatively wealthy would pay. We argued that primarily on the ground of fairness. At the time, there was no major economic crisis, but the proposal now happens to be appropriate to the context in which we operate.

Clearly, people on low incomes have a higher propensity to spend than those on high incomes, who are very wealthy. Our proposal, which the new President elect of the United States echoed at least generally, seems highly relevant. We have advocated a programme whereby income tax should be cut for people on low incomes, either by raising thresholds or cutting the basic rate by the equivalent of 4p in the pound. We are therefore considering an amount of approximately £1,000 for a £30,000 income tax payer. The proposal would be funded in a variety of ways, which we have set out, one of which involves tackling potential tax avoidance and the existing concessionary rates that people pay on capital gains tax. We were impressed with the sensible way in which Lady Thatcher and Lord Lawson devised the capital gains tax rules, and we would like to revert to that, with potentially major Revenue implications.

We believe that people who contribute to large pension pots should be incentivised, but that larger incentives should not be given to people who make small savings—we believe in closing that loophole. We also believe in a much tougher approach to tax havens. Again, the President elect of the United States wanted to go down that road. Specific measures, such as dealing with leading corporations' evasion of stamp duty, which the Government should have tackled long ago, are blatantly obvious. A series of measures could, if implemented, enable us to make a substantial cut in income tax for people on low and middle incomes.

Mr. Kenneth Clarke (Rushcliffe) (Con): Does the hon. Gentleman agree that, when the proposal was made, it was not intended to be a fiscal stimulus? Indeed, it would not be a fiscal stimulus, because he is describing how revenue would be raised to pay for it. Given that there may be a case for some temporary fiscal stimulus in the not-too-distant future, does not it make more sense to consider a temporary reduction in value added tax, which would relate directly to consumer demand? It seems likely that we will need to stimulate consumer demand in the new year.

Dr. Cable: The measures that I have described would be stimulating for the reasons that I gave: people on low incomes are more likely to spend. The right hon. and learned Gentleman's proposal could have the same effect, but it depends on how it is funded. That gets to the heart of what I am sure that Conservative Members will tell us in the next day or so. As I understand it, the Conservative party proposes funding the VAT cut through parallel cuts in Government spending. Although there may be a case for cutting Government spending generally,

in the context that we are considering, the proposal would simply offset a stimulus with a reduction in spending. The right hon. and learned Gentleman must deal with the same problem that the Government have and that we have tried to tackle.

If there is to be a tax cut, it should operate under three simple principles. First, it must be substantial; a nominal cut has no effect in such circumstances. The package that I have described would cost something in the order of £16 billion. That is a large sum, but as a share of GDP it is not enormous and is certainly affordable within the parameters that I have described. The second principle is that a cut should be fair and equitable, which was where we started from. The third principle is that a cut should be funded. There are dangers in doing what I believe the Government propose, which is to have an unfunded tax cut, which I understand would be financed by Government borrowing. However, Government borrowing ultimately has to be paid for—it is deferred taxation or inflation, and that is not a satisfactory way forward either.

We need a stimulus that will be funded and is seen to be fair, but which also makes sense in the context of the need to inject demand from people on low incomes, whose income standards are being squeezed. With that, Mr. Speaker, I thank you for the opportunity to introduce the motion and look forward to hearing the reactions to it.

4 pm

The Exchequer Secretary to the Treasury (Angela Eagle): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"notes that the Government's actions mean that the economy is entering a period of global downturn with unemployment, inflation and interest rates all much lower than in previous slowdowns, and with debt reduced from 43 per cent. of gross domestic product in 1997 to below 36 per cent. last year; welcomes the extra investment in public services and public servants that this has enabled to compensate for historical underinvestment both in infrastructure and services in every region; supports the Government's global leadership and action to tackle both the causes and effects of the financial and economic turmoil on an international level; welcomes the Government's timely support to protect financial stability and consequently depositors, business and the wider economy; further notes that as a condition of this support the Government has demanded support in turn for homeowners and small and medium size businesses; further notes the action that has been taken in the court system and through mortgage interest support to enable people to stay in their homes, and the provision of £360 million to help small and medium size businesses under the Train to Gain initiative; and further notes that Government action to support families, individuals and businesses across the UK through the tougher times ahead includes extra tax credits, cutting income tax, freezing fuel duty, further winter fuel payments and increases in Child Benefit."

Let me start by saying that the Government share the concerns of the whole House about the effects of the global economic crisis on British families and business. Over the past few months, newspaper headlines have been dominated by the dramatic events in the international banking sector. However, all of us know only too well that behind every headline there are real people facing worries about staying in their jobs or homes, keeping their businesses afloat or paying their bills every month. The Government have already shown that they are determined to be on their side in the tough times ahead and we are determined to do more to help as the situation unfolds.

Although the recessions that we endured in the '80s and '90s were essentially domestic in origin, this one is fundamentally different. It is undoubtedly caused by global events originating outside our borders. This recession began in the sub-prime mortgage market in America and spread across the world, mostly because of irresponsible behaviour by banks. The twin shocks of the credit crunch and the surge in energy and food prices have hit every country in the world. As one of the most open trading economies in the world, the UK has not been immune to the effects of those shocks. Although the crisis is global in origin, we recognise that its effects are local.

The credit crunch presents us with a once-in-a-generation economic challenge. To meet that challenge, we must first stabilise the global banking system to deal with the legacy of bad debt, which has meant that banks have lost confidence in each other and that global credit markets have seized up.

Chris Huhne (Eastleigh) (LD): Given that the credit crunch first became apparent in August 2007, could the Exchequer Secretary explain why Treasury Ministers were so slow to understand the implications that she is now spelling out?

Angela Eagle: I do not think that that is a fair accusation, given that everybody watching the events unfolding has said that the credit crunch is an unprecedented, once-in-a-generation occurrence. Policymakers the world over, including those in business, are scrambling to catch up with circumstances as they change and with the changed world that events have left us with, so I think that the hon. Gentleman is being rather churlish in his analysis. Hindsight is a wonderful thing after sudden changes in realities that have been so stable. It is easy to look at the new realities as they are being created as if, prior to those events, we all had crystal balls and everybody knew what was going to happen. We did not. In such unprecedented circumstances, it is important that policymakers and political leaders such as my right hon. Friend the Prime Minister respond flexibly and quickly, and that is what he has done.

Mr. Pelling: The Minister is absolutely right that one must not look back. The Government acted decisively in rescuing the banks. However, does she think there is merit in dealing with the damage that she has detailed by taking those bad debts off the balance sheets to repair the banks and in using the "bad bank" solution?

Angela Eagle: We believe that the package of recapitalisation, special liquidity and the guarantee of inter-bank lending is a comprehensive package that should deal with the problem. However, we will continue to watch carefully what is going on in the international financial markets, as well as what is going on nationally in our own banks. It is important that we respond appropriately if other facts come to light. At the moment, we believe that we have a comprehensive answer.

Matthew Taylor (Truro and St. Austell) (LD): Will the Minister confirm that the inter-bank lending guarantee has failed to deliver the intended solution—to bring down LIBOR to the rate that existed before the banking crisis?

Angela Eagle: As of the weekend, the important three-month LIBOR rate had come down from a peak of 6.4 per cent. to 4.4 per cent., which represents good progress. We will continue to monitor those numbers, but that has been a cause of significant relief throughout the financial system.

Bob Spink *rose—*

Angela Eagle: I shall give way to the UKIP Member.

Bob Spink: Earlier, the Minister mentioned the level of personal debt, but what was the level of national debt, as a proportion of gross domestic product, as we started to enter this negative cycle? What peak does she expect it to reach during the cycle?

Angela Eagle: The updated economic forecast will be available when the pre-Budget report is presented; it is not my role to start anticipating it today. The hon. Gentleman will get those figures in full at the appropriate time. The Labour Government inherited a debt of 43 per cent. of gross domestic product, which is higher than the present level. It is important to note that point.

Mr. Redwood: As the Government prepare to take on liabilities of £3 trillion from the three big banks in which they are buying shares, will the Minister assure the House that they have checked out the assets and liabilities, and that there will not need to be major write-downs on the loan books after they have bought the shares?

Angela Eagle: It is significant that all national Governments in developed countries have taken action similar to that outlined by my right hon. Friend the Prime Minister when he announced the recapitalisation scheme. That was a result of the unprecedented situation in which the global financial system found itself. I wonder whether the right hon. Gentleman would have done the work that he mentioned while the financial system melted around us, given that that could have caused circumstances as bad as, or worse than, those of the great depression in the 1930s. The people of this country demonstrated through their support that they appreciated my right hon. Friend the Prime Minister's swift and effective action.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Will the hon. Lady confirm that, whatever she might think, the Office for National Statistics says that the current deficit is 43.3 per cent. of GDP?

Angela Eagle: The hon. Gentleman will see the fiscal and monetary figures when the pre-Budget report is produced, and people will be able to make their own decisions at that time.

Susan Kramer: Quite a number of statements have suggested that this economic crisis was a thunderbolt out of the blue. The Minister will remember, however, as a member of the Treasury Select Committee, that I visited the United States in January 2006. I cannot remember whether she was on that trip, but others from her party certainly were. Investment bankers made it clear to us that, while all was well that day, there would be a major crisis in the sub-prime housing market 18 months down the road, and that there were black clouds on the horizon. We attempted to pass those messages on to the Treasury, formally and informally—so there were warning signs.

Angela Eagle: It was not my pleasure to be on that trip. I made rather a bad habit of missing the foreign trips taken by the Treasury Committee when I was a member of it, owing to other work pressures. However, I think that one of the lessons to be drawn from the circumstances of an interconnected and globalised world is that the weakest link in the regulatory chain can affect all economies, as the circumstances of the credit crunch have demonstrated in quite a sobering way. That new reality will have to be taken into account as we rebuild and reform international structures.

Before taking a series of interventions, I was saying that the credit crunch presented us with a once-in-a-generation economic challenge, to which we are rising by stabilising the global banking system. However, we must also re-engineer the global economic system to cope with 21st-century realities, and the reality that the hon. Member for Richmond Park (Susan Kramer) spotted in the sub-prime mortgage market during her trip to America is clearly one of the new realities with which we must deal.

Kelvin Hopkins (Luton, North) (Lab): May I return my right hon. Friend to the question of the gross national debt? Is it not the case that our gross national debt is still way below that of many other countries, that it is historically low, and that to tighten the fiscal stance at this moment would be economic madness?

Angela Eagle: My hon. Friend makes an appropriate and astute comment. People will be waiting to see which side of the Opposition's schizophrenic approach predominates.

As I was saying, we must re-engineer the global economic system to cope with 21st-century realities—

Mr. Kenneth Clarke: The Minister is obviously about to discuss the global measures that she considers to be the remedy. Does she think that looking at the global economic system will have any effect on the two things that went wrong here? First, an appalling fiscal problem piled up, the scale of which is being debated but which is plainly making us all very cautious about considering how we can afford a fiscal stimulus now. Secondly, a complete regulatory failure took place here. Nothing happened in the American housing market that did not happen in the British housing market. Our own national regulatory system, as designed by the present Prime Minister, completely failed to function, despite all the warnings about a credit bubble that were well in evidence long before the Government turned their mind to it.

Angela Eagle: I think that the right hon. and learned Gentleman is being rather partisan in his caricature of the circumstances. When I say that we have an important job to do in re-engineering the global economic system, that does not mean that we do not have equally important reforms to put in place nationally, or that we do not have equally important reforms to put in place at European Union and G7 level. Those jobs must be done together.

Another lesson of the new era in which we find ourselves, following the credit crunch and the way in which it is manifesting itself, must be that, given the extent of the present interconnection, our problems cannot be solved simply by examining national circumstances or national regulators. That does not mean that the Financial Services Authority has not recognised that it needs to change and reform. Indeed, a programme of work is already under way to respond to some of the shortcomings that the FSA's chief executive identified. The reforms in the Banking Bill constitute another—but only one—aspect of that. There is much work to be done across the piece, at national and at global level, and all the parts of that work must fit together.

As trying to run an economic system without credit is rather like trying to run a car engine without oil, restoring some normality to credit markets has been an obvious priority for the Government. A sound banking system is an essential precondition for the long-term health of the economy, so by definition our initial focus has had to be on the banks.

That is why on 8 October, in consultation with the tripartite authorities, the Government announced comprehensive measures to ensure stability in the financial system. By recapitalising banks, guaranteeing inter-bank lending and extending the special liquidity scheme, the Government are demonstrating their commitment to do whatever is necessary to maintain stability. The fact that this comprehensive plan was followed by similar action around the world shows both the global nature of the challenge confronting us and the leadership given by the UK in responding to it.

The Prime Minister and the Chancellor are working with other global leaders and our European partners to ensure that the banks are stabilised and begin to lend again, but they are also focusing on reform of the international system to ensure that it can cope with the realities of an interconnected and increasingly interdependent global economic system.

Kelvin Hopkins: I agree very much with my hon. Friend's comments. I wanted to make the following point to the Chancellor when he made his statement some time ago. Given that the Government have now taken big stakes in a number of banks, with some in public ownership and Government representatives on some boards, was it not also important to put in Government officials at the operational level to make sure that banks and those in banking behave appropriately in the public interest?

Angela Eagle: My right hon. Friend the Chancellor has announced the creation of UK financial investments. We are still putting together the approach for those who will sit on boards and the arrangements that will need to be made to make that work. We will, no doubt, in due course have discussions about the details, but my hon. Friend has made his pitch and I will make sure it is looked at.

Rob Marris (Wolverhampton, South-West) (Lab): May I urge my hon. Friend to resist the siren voices of the Liberal Democrats? While they have a certain track record in one sense, they focus exclusively on the short term. Short-term measures are important, but I urge my hon. Friend to continue, as the Government have, not only with short-term measures but with medium-term measures, which the Opposition are overlooking, such as the new Bretton Woods agreement that we need, increasing house building in the UK to address the problem of undersupply and therefore of over-inflation in house prices; carrying on with training for the skills we will need when the economy picks up again; and carrying on with measures such as changes to the pension system so we do not end up a basket case, which Italy will be in about 10 years' time?

Angela Eagle: I always do my best to avoid siren voices, but my hon. Friend is right to point out that, despite all the diverting and difficult things going on in the immediate term, it is important at times such as these to look through the sound and fury to the medium term, and to ensure that, in the areas my hon. Friend mentions, the Government position this country's economy so it can get through in the best possible shape.

The scale of the problem caused by the disruption we have all been experiencing in the global financial system is enormous. As the International Monetary Fund said last month, the world economy is now entering a major downturn in the face of the most dangerous shock in mature financial markets since the 1930s. As a result of the credit crunch, we have already seen falling output in Germany, France, Italy, Ireland, Japan and Canada, and we now also hear that the USA is in recession. We are now seeing falls in output in the UK, too.

Two weeks ago, the Bank of England's financial stability report estimated sub-prime and related losses at almost $3 trillion, and it is clear that there can be no return to business as usual in these unprecedented circumstances. The interconnected nature of our financial institutions substantially increases systemic risk if any one financial institution fails. The capacity of private sector institutions to rescue each other has proved to be limited. Governments around the world have therefore acted on an unprecedented scale to support a financial system that has been shaken to its foundations.

There will be long-term implications for the relationship between Government and the financial sector at both national and international levels. The Chancellor has made it clear that we need to return to the issues of regulation and transparency, and to the design of the international financial architecture, which must be made fit for purpose in a more globally interdependent world. We also need progress on a world trade deal and the rejection of a beggar-thy-neighbour protectionism, which changed the great stock market crash of 1929 into the great depression and the global calamity of the second world war.

Unlike the Conservatives when they were last in government dealing with a recession, the Labour party in government does not believe that unemployment is a price worth paying; nor does it believe that if it is not hurting, it is not working. We believe it right to stand alongside people and use the power of the state to help them through difficult times, and we are determined to help people and businesses with targeted support. Therefore, at the last Budget we gave a tax cut worth £120 to all 22 million basic-rate taxpayers. We delayed the planned fuel duty increase, at an annual cost of £1 billion. We helped 9 million households by making additional winter fuel payments of £50 for the over-60s and of £100 for

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the over-80s, on top of current payments. Since the Budget, we have also announced substantial help for people to insulate their homes and reduce their energy bills.

It is inevitable that the global financial crisis should have some effect on the number of people who have difficulty repaying their mortgages, but the number of repossessions for the whole of 2007 is about a third of the levels of the early 1990s, and data from the Council of Mortgage Lenders show that the number of properties taken into possession in the first half of 2008 equates to 0.16 per cent of all mortgages—less than half the rate seen in the early 1990s. However, we are not complacent, and I recognise that each and every repossession is a tragedy for the people involved.

Chris Huhne: Will the Minister give way?

Angela Eagle: I have given way to the hon. Gentleman once already, but I shall do so again.

Chris Huhne: I am very grateful to the Minister for giving way again. As she knows, the level of repossessions took some time to build up in the crisis of the early 1990s. Is she saying that there will be no further increase in the level of repossessions? Given what happened when we debated this matter in April—my hon. Friend the Member for Twickenham (Dr. Cable) has quoted her as saying that there was no possibility of a recession, and that there was scaremongering on the Liberal Democrat Benches—why should we take her at all seriously now, when she was so comprehensively wrong then?

Angela Eagle: I noticed the quote from the hon. Gentleman in April when talking about the hon. Member for Twickenham (Dr. Cable)—that he was one of those gloomy economists who always think that a glass is half empty, rather than half full. I am not going to be gloomy about the UK economy; rather, I will repeat what I was saying when the hon. Member for Eastleigh (Chris Huhne) intervened. We are not complacent. We recognise that each and every repossession is a tragedy for the people involved. I am certainly not going to predict—the Government do not predict—the number of repossessions; the Council of Mortgage Lenders publishes its figures. However, we are determined to do what we can to ensure that we can mitigate the problems that lead people to fall into arrears and face repossession. I will deal in a minute with some of the announcements that we have made to that effect.

Kelvin Hopkins: I thank my hon. Friend for giving way yet again; may I reinforce her point about repossessions? Before the 1997 election, my constituency had the highest level of repossessions in the country, as a result of which I had almost the largest swing to Labour during that election.

Mr. Jeremy Browne (Taunton) (LD): It was your own talents.

Kelvin Hopkins: If only! It was entirely due to the catastrophic effect of Conservative policies on my constituents.

Angela Eagle: My hon. Friend is treating us to many pearls of wisdom today, and that was another one.

In September, we announced a range of new measures to support thousands of vulnerable home owners. Help newly available as a result of those announcements includes a £200 million mortgage rescue scheme that will help up to 6,000 households avoid the trauma of repossession over the next two years. From 1 January, we will reform the help available to home owners who lose their jobs, so that their mortgage interest is paid after 13 weeks, rather than after the 39 weeks that they would previously have had to wait for help. We have brought forward £400 million of Government spending to deliver up to 5,500 new social rented homes at affordable prices while the private sector market remains weak.

The Government believe that repossessions should be a last, not a first, resort, so we have asked mortgage lenders to review their voluntary arrangements for supporting borrowers who are facing difficulties. The Council of Mortgage Lenders has produced its guidelines, and the Finance and Leasing Association is preparing best practice guidance for lenders, which will be published later this year.

On 22 October, the Prime Minister announced new guidance for the judiciary to halt court action on repossessions unless alternative options to help the home owner have been fully examined. The new court protocols set out clear guidance on the steps that lenders are expected to take before bringing a claim in the courts, to ensure that repossessions are indeed a last resort. Lenders will now be expected to demonstrate that they tried to discuss and agree alternatives to repossession when borrowers got into trouble with their mortgage payments. If a case reaches court, lenders will be required to tell the court precisely what they have done to comply with that protocol.

The recent cut in the Bank of England base rate has been widely welcomed. The UK now has its lowest interest rates since 1954, which will provide some welcome relief to home owners who are struggling with mortgage repayments. In the context of responsible lending, we want customers to benefit from the rate cut, and where banks are benefiting from cheaper borrowing, we want that to be passed on to their customers, too.

Matthew Taylor: There are serious shortages of affordable housing, and fewer houses are being built at the moment. Government policy instructs local councils to reduce the leasing of private properties in order to house people in housing need, on the basis that that is a temporary solution. Right now, a temporary solution of that sort would help to meet not only the housing needs of a large number of people, but the need to cover mortgage costs of those who have these properties and would like to let them out. There might be a solution that meets the needs of two groups: those facing the loss of their property, and the many who are in housing need.

Angela Eagle: We will be looking to build further on our announcements of help to home owners as the situation progresses, and we will bear the hon. Gentleman's suggestions in mind.

Although the world economic climate is uniquely challenging, pessimism about our prospects is neither sensible nor reasonable. We need to be not only realistic

about the difficulties we face, but confident that we can get through them. The UK is better placed to weather the global economic storm than it was in the 1970s, 1980s or the 1990s. Following last week's Bank of England actions, the UK has its lowest interest rates since 1954, and we also have low inflation. Both interest rates and inflation are well below the double-digit levels that were a feature of previous recessions.

Jo Swinson (East Dunbartonshire) (LD): The Minister says that we are well placed to weather the economic storm, but the huge level of over-indebtedness that many families face means that they are not well placed to do so—as the individual insolvency figures for Scotland, which were released on Friday, showed when they rose by 26 per cent. between quarter two and quarter three. Families and individuals across Scotland—and, indeed, the rest of the UK—are struggling. How are those people, who face such high levels of debt because of irresponsible lending, well placed to weather this storm?

Angela Eagle: I was talking not about individuals but about the economy as a whole when I made my points about interest rates and so on. We have to deal with individual problems as they come to our attention. Clearly, some people are struggling with their debts, which is why we made our announcements to support them. The hon. Lady must not think that I was applying what I said about interest rates and inflation levels to a particular individual in trouble in Scotland—I was not. We recognise that individuals are facing difficulties, and this Government are determined to be alongside them, helping them to cope during this downturn.

Rob Marris: We need fiscal stimulus in the economy and the Government should borrow to provide it. Will my hon. Friend confirm that the accumulated national debt in the UK as a proportion of gross domestic product is far lower than that in any other G7 country except Canada?

Angela Eagle: Yes, that is the case. Scaremongering about our indebtedness or readiness to deal with these difficult circumstances, as the Opposition do, does not help.

Chris Huhne: Will the Minister give way?

Angela Eagle: No, I have given way to the hon. Gentleman lots of times.

Chris Huhne: Frit.

Angela Eagle: It is churlish of the hon. Gentleman to say that I am frit when I have given way to him so often. Perhaps I am getting a bit fed up of giving way to him and this time I am not going to do so. Our labour market has 3 million more jobs than it did—

Chris Huhne: Will the Minister give way on that point?

Mr. Deputy Speaker (Sir Michael Lord): Order. I think that the Minister has made it perfectly plain that she is not going to give way.

Angela Eagle: Our labour market has 3 million more jobs than it did when we came into government and we are determined to use the reformed Jobcentre Plus service to help anyone facing redundancy to find new work opportunities as quickly and effectively as possible. Thanks to decisions that we have made since 1997, public debt remains low. That means that we can provide targeted support to those who need it most in these difficult times and protect vital investment in our infrastructure—investment that in previous downturns the Conservative party sacrificed and that will underpin our future growth.

We have taken the long-term decisions to boost our competitiveness on energy, planning, transport, housing, science, skills and digital technology. As the International Monetary Fund recently stated:

> "For over a decade, the United Kingdom has sustained low inflation and rapid economic growth—an exceptional achievement....fruit of strong policies and policy frameworks, which provide a strong foundation to weather global"

challenges. *[Interruption.]* Opposition Members are saying that I am quoting the IMF—I am, and I am as aware as they are of the IMF's recent comments on our prospects for growth next year. If Opposition Members were to look at the IMF's mid-term forecast, they would see that it put us second after only Canada for growth in the 2010 to 2013 period. They should take account of all the IMF's forecasts, rather than taking tiny bits of the forecast out of context.

We are determined to demonstrate that we can help our economy weather this global financial storm and to get through it in the best possible way, so that we can take advantage of the many opportunities as economies seek to recover.

4.32 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): We strongly support the sentiment in the first half of the Liberal Democrat motion, which identifies the fact that the asset price bubble and the over-borrowing that has occurred in the UK are a major contributor to the problem that we face. That problem was not simply made elsewhere and inflicted on an entirely innocent bystander—the Prime Minister. We agree that one of the principal concerns of the Government and this House should now be to get help to families and businesses that are struggling with the short-term challenges of recession.

We also agree—I think that this is implicit in the Liberal Democrat motion—that the first response to the recession should be a monetary policy and that any targeted tax cuts to support families and businesses must be fully funded if we are not simply to burden future generations with the consequences of problems that we have created but do not want to shoulder. Indeed, the Exchequer Secretary came close to supporting that view when she said that we must look through the immediate challenges to the medium term. That strongly suggests to me that she is beginning to see the wisdom of resisting the temptation to borrow and spend her way out of the recession.

We part company from the Liberal Democrats, however, on their prescription, which is that old chestnut—the easy option of tax cuts for everyman, funded by amorphous wealthy individuals, or as the leader of the Liberal

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Democrats described them today, top earners. That is too easy. We have reached the point in this economic debate where difficult decisions have to be taken, although I know that is not something the Liberal Democrats specialise in. Who are those wealthy individuals or top earners? They are the usual victims. [HON. MEMBERS: "You."] Hon. Members are right. According to the Liberal Democrat proposals, every one of us is one of those top earners or wealthy individuals—anybody earning £40,800 or more.

The Liberal Democrats want to increase tax on pensions for people on middle incomes by withdrawing the benefit of higher rate tax relief on pension contributions for those earning £40,800 or more. Those people are headmasters, police inspectors and senior nurses—hundreds of thousands of hard-working families across the country. The Liberal Democrats want further to discourage entrepreneurship by taxing capital gains as income. They propose another £20 billion of unidentified spending cuts to support their tax cut programme, but they cannot tell us how they will be achieved. In fact, the situation is worse than that; it is not just that they cannot tell us, they will not tell us.

Some of us will remember when the leader of the Liberal Democrats was interviewed on "Newsnight" immediately after their party conference. Once he got to £5.5 billion of the £20 billion, Jeremy Paxman asked, "Where's the rest?" His answer was:

"well, I'm simply not going to tell you the rest."

The Lib Dems bring a whole new dimension to the concept of political transparency.

The Liberal Democrats are all over the place on tax. They are also all over the place on the Bank of England. The hon. Member for Twickenham (Dr. Cable) claims guru status for having called for a 2 per cent. base rate cut by the Bank of England, but on 15 September he told his party conference:

"The Government must not compromise the independence of the Bank of England by telling it to slash interest rates."

Then he got on the train back to London and spent the next three weeks going around the television studios calling precisely for a cut in interest rates—*[Interruption.]* That is the point: while those of us who belong to parties that are either in government or aspire to be in government studiously try to respect the independence of the Bank of England, the hon. Gentleman apparently regards himself as free to indulge in wildly populist and contradictory demands on our television screens.

Susan Kramer: But does the hon. Gentleman remember that my hon. Friend the Member for Twickenham (Dr. Cable) said that it is in the Government's gift to set the inflation target and that looking at the current reality of the economy it was entirely appropriate to change, suspend or defer that target so that the Bank could concentrate on rescuing the economy? May I also remind the hon. Gentleman that although the shadow Chancellor, in response to an intervention from me, said that he did not comment on interest rates—I cannot read a quote during an intervention, but the hon. Gentleman will be able to find the exact words in *Hansard*—within two weeks, he was writing in *The Daily Telegraph* that there was plenty of scope to stimulate demand with lower interest rates? That contradicts exactly what the hon. Gentleman has just said.

Mr. Hammond: The hon. Lady needs to think about that. It is one thing to observe that there is a considerable gap between the level of UK and US interest rates, which was precisely the point that my hon. Friend the shadow Chancellor was making, but quite another thing to call for a reduction after having just told one's party conference that the Government must not compromise the independence of the Bank of England by telling it to slash interest rates.

I want to be a little more consensual, however, and to return to the point where we agree with the Liberal Democrat motion—at least to some extent. Of course, this is not just a US-made problem, and the sooner the Government can take that on board and accept that this is a problem for which the UK regulatory and policy regime is partly responsible—

Mr. George Mudie (Leeds, East) (Lab): Partly.

Mr. Hammond: Of course, it is partly responsible. The sooner the Government do so, the sooner that we can start making the interventions that will solve the problem and ensure that we do not repeat the mistakes in the next cycle. Unsustainable debt, the asset price bubble, UK households borrowing £1.4 trillion—the highest indebtedness relative to gross domestic product of any country in the world—and the Government operating a pro-cyclical deficit funding policy are at the root of the domestic component of the problems that we are facing.

It is too late to do anything about avoiding this recession, but we must at least learn the lessons for the next set of challenges that we face. How do we tackle these problems? Clearly, international co-operation, including a revisiting of the pro-cyclical effect of the Basel II capital adequacy rules, will be part of the solution.

Mr. Mudie: Does the hon. Gentleman not think that it is a bit harsh to say that we have a recession and that there is nothing that we can do about it? *[Interruption.]* Well, that is exactly what he said. There is plenty that we can do about it, but it is, of course, politically better to get off on abstract arguments. We could do things with mortgages to keep people in their homes, and we could do things with small businesses to keep them in business and employing people. So, for saying that we can do nothing about the recession, the hon. Gentleman should apologise to the British people.

Mr. Hammond: The hon. Gentleman will read *Hansard* in the morning and see that I said that it is too late to address the unsustainable debts, the asset price bubble, the over-borrowing by households and the pro-cyclical Government deficit funding policy. It is too late to do anything about them to address the recession, but he is absolutely right to suggest that we can do plenty of things to alleviate the immediate impact of the recession, and I shall run through some of them in a moment.

I was talking about how we tackle the challenges. International co-operation is one way. We need to tackle areas of domestic regulation—for example, ensuring that bonuses do not compound the problem by creating perverse incentives that lead banks into the kind of

areas that have delivered the problem that we now face. Is there a case for including asset prices in the targeted inflation measure? We have looked at that, and many academic economists around the world have asked themselves that question. Our conclusion is that that is not the right way to proceed, but we need to address asset price inflation.

We have proposed specifically a debt responsibility mechanism by which the Bank of England would take on the role of measuring aggregate credit debt in our economy and transmitting its concerns to the Financial Services Authority, which would then use those concerns in managing the capital adequacy ratios of individual British lending institutions—an effective domestic solution to the regulation of the credit cycle. I should be interested to hear from the Economic Secretary when he replies whether the Government have something to say about that proposal and, of course, fiscal discipline—not a Liberal Democrat unique selling point. We need in place a framework that has the confidence of the markets and that effectively constrains Government action, not just when the going gets difficult but throughout the cycle—not a set of rules that crumbles as soon as the Government run into the first hurdle.

Lynne Featherstone (Hornsey and Wood Green) (LD): Does the hon. Gentleman agree with me about bonuses? I opened an account at Barclays a few weeks ago. On the news that it was seeking funding to avoid Government intervention, possibly involving not paying bonuses, I contacted the bank to say that I did not want to go ahead with my account, and it was very worried by that, having asked me the reason why. I wonder whether there is anything in people power—perhaps by having to print directors salaries and bonuses on bank statements. Does he think that that might give the public some sense of where they want to keep their money?

Mr. Hammond: If the hon. Lady wishes to exercise her people power, I point out that it is a statutory requirement for directors' salaries and bonuses to be published in banks' annual report and accounts.

The second issue that I want to address is the Bank of England's monetary response in the past few weeks. I agree with the hon. Member for Twickenham that it has been most welcome, but our concern must be that it has not been fully effective. Rhetorical attacks on banks in general, or banks in which the public now have a stake, will not solve the problem. Of course the rescue of the banking sector was undertaken not simply to save the banks, but to save the real economy from meltdown. Presumably, now that we, collectively, are investors to the tune of £37 billion in banks, we want to make sure that we get our money back. With the greatest respect to the hon. Member for Luton, North (Kelvin Hopkins), I do not think that that cause will be advanced by putting him in charge of lending policy. Politician-dictated lending policies will not be the answer.

Kelvin Hopkins: Is the hon. Gentleman more concerned to make sure that nice, big bonuses are paid than to ensure that the public are paid back their money?

Mr. Hammond: No, of course not. The two objectives with regard to the public-sector investment in the banking system must be, first, to save the banking system so that we can protect the real economy, and secondly to get every penny of the £37 billion back, preferably with a substantial gain for the taxpayer over time. Those must be our objectives. Let us not forget that we have a big stake in the banks in question.

Mr. Redwood: Will my hon. Friend acknowledge that £18 billion of cash is going to Abbey/Santander for Bradford & Bingley, that there was £3 billion of equity investment in Northern Rock, and that unfortunately our first 100 per cent. investment, Northern Rock, made us a loss of £580 million in the first half of the year? Is there not therefore a lot of work to do to make a profit?

Mr. Hammond: My right hon. Friend is right, but he is perhaps rather generous to describe the £3 billion as an equity investment in Northern Rock; I think that it was a write-off of debt, about which the Government had little choice. *[Interruption.]* I know that it is counted as an equity investment, but I do not think that it was made out of choice.

Surely the solution is to mend the mechanism that, until last year, always linked Bank of England base rates with the banks' costs of funding. We can of course urge the banks to pass on changes in the official rate, but we also need Government action to secure the reopening of the money markets, so that banks' borrowing costs follow the base rate down. We will then be in a far stronger moral and practical position to urge the banks to pass on the Bank of England's monetary policy response to consumers and businesses.

The motion in the name of the hon. Member for Twickenham refers to

"£500 billion of taxpayers' money"

having gone into the banking system. I think that that is made up of £200 billion in the special liquidity scheme, £37 billion-odd of capital, and £250 billion in money market guarantees. The latter was the largest component of the package announced by the Prime Minister and the Chancellor a few weeks ago, together with the recapitalisation. As far as I can tell, that bit of the package is not working. I do not know whether the Economic Secretary can, in his winding-up speech, give us any figures on what take-up there has been of that £250 billion. The information is difficult to come by, but my inquiries in the City suggest that there has been minimal take-up. That may have to do with the conditions attached or the pricing. That is a critical matter that the Government must look into, because the whole package depends on our being able to reopen and restore confidence in the money markets, so that in future, the Bank of England's base rate cuts are automatically followed by cuts in the cost of funding to the banks, and thus automatically followed by cuts to mortgage rates, small business overdraft rates, and lending rates to families.

Ruth Kelly (Bolton, West) (Lab): The hon. Gentleman makes an interesting point about use of the guarantee. Of course, it was a very innovative proposition at the time. Does he not agree that the most effective guarantee, were it to work brilliantly, would not be taken up at all?

Mr. Hammond: Ultimately, once confidence has been completely restored to the markets, I guess the right hon. Lady is right, but sadly that is not the position that

[Mr. Philip Hammond]

we are in. I hope that when the Chancellor and the Prime Minister announced the £250 billion guarantee facility—a very big, eye-catching, headline-grabbing number—they did not announce it with the expectation and intention that virtually none of it would be taken up. I hope that they announced it in the expectation that it would have the desired effect. It has not, however, because if it had, LIBOR rates would have fallen by 1.5 percentage points last Friday. That is where we need to get to. We must restore the link, because that is what is broken, and that is what needs urgent attention if we are to fix the credit famine that is affecting families and small businesses throughout the country. No amount of rhetoric or exhortation will deliver sustainable relief if we do not fix that mechanism.

John Reid (Airdrie and Shotts) (Lab): I have listened very carefully to the hon. Gentleman talk about fixing the mechanism, but will he tell us how he would fix it?

Mr. Hammond: The Government have already announced the £250 billion package, which the right hon. Gentleman will remember we supported, but the Government now need to consider the pricing and the conditionality that are attached to the package. The Economic Secretary may tell us later that I am misinformed and that hundreds of billions of pounds of the guarantee facility have been taken up, but if that is not true and it was a critical part of the package, the Government need urgently to examine how that part of the mechanism works. This is not a party political point; we supported the package.

John Reid: My question was not meant as a party political point either; it was meant for all our elucidation. I shall say something later about inter-bank lending, which is right at the heart of the matter, but the hon. Gentleman said quite clearly that the mechanism is not working, so, if he believes that it is not, what does he think would?

Mr. Hammond: I suspect that the mechanism is not working, and I suspect that the reasons why are partly the pricing, partly the conditionality and partly, perhaps, the toxic assets that remain in the system. We heard a suggestion earlier about the creation of a "bad bank". I should like to hear from the Exchequer Secretary not that she has a magic wand but that the Government at least recognise that the extent to which that part of the package has not been taken up demonstrates that the package as a whole is not delivering the intended results, which it clearly is not. That is a problem for all of us, and one that we, collectively, have to address.

The third point on which we agree with the Liberal Democrats—at least I think we do—is that spending and borrowing our way out of a recession, over and above the levels that are implied by the automatic stabilisers and the Government's commitment to continue some support for those who lost out in the 10p tax fiasco, will not work and is not sustainable. Future generations would be burdened with even higher debts and the recovery might be threatened by the prospect of large tax rises. We would simply be sowing the seeds of the next crisis, but, as we heard earlier, carefully targeted and fully funded tax cuts, and other specific support measures, would bring relief to families and businesses.

We do not agree with the Liberal Democrat approach in seeking to raise taxes on middle-income earners to pay for cuts, and we do not believe it credible to claim to fund cuts on the back of unidentified spending cuts. Fiscal prudence and a concern for the future does not mean, however, being unable to help, although others who have behaved more prudently in the past have greater scope for action now: the Australians recently enjoyed the luxury of making a decision to spend half their public sector surplus on stimulating demand from families and businesses. We have set out a number of suggestions and already announced the following proposals: a council tax freeze, funded by cuts in Government consultancy and the Government's advertising budget; the abolition of stamp duty for 90 per cent. of first-time buyers; the use of the Post Office card account to give access to direct debits—thus cutting the fuel bills of the most vulnerable householders—while the Government appear set on privatising it; cuts in the small companies corporation tax rate, funded by scrapping the annual investment allowances; a temporary cut of 1p in the pound in employers' national insurance contributions for the smallest employers for six months to stimulate employment; the deferment of small-to-medium enterprises' VAT bills for six months at commercial rates of interest to help businesses with their cash flow; and, changes in the law to provide breathing space for businesses facing insolvency and households facing repossession for amounts that were incurred as unsecured debts. We continue to identify opportunities for targeted, fully funded interventions that will bring much-needed relief to families and businesses.

I turn briefly to the Government amendment, which has the now-familiar focus on the global dimension—the subtext broadly being, "Not our problem, guv. The problems were made somewhere else and we are innocent victims." The Exchequer Secretary used the words "global" or "globally" 21 times in her speech, and I heard no acknowledgement in it of the policy and regulatory failures in the UK. The Lib Dem motion sets those failures out and we have repeatedly drawn attention to them.

The fact is that the claim to have abolished boom and bust heralded in the UK the age of irresponsibility against which the Prime Minister now rails. There was five-times-income mortgage lending and there were 125 per cent. mortgage loans: the Government not only failed to curb household borrowing, but through the years of economic growth ran the biggest deficit of any developed economy. The Exchequer Secretary claims that Government debt has been reduced since 1997, but she and almost everybody else in the House knows that the Office for National Statistics figures show that, in fact, Government debt is up a little on the 1997 level. After 10 years of continuous economic growth, our national debt position has not improved but slightly worsened.

There is no sense in the Government amendment of the scale of the challenge. The Exchequer Secretary likes to draw comparisons with statistics relating to the end of the last economic recession, but the appropriate comparison for where we are now is with its beginning. In the last full year before that recession, there was a budget surplus of 0.2 per cent. of GDP; this time, we are entering recession with a budget deficit of 2.6 per cent. of GDP, as a result of having borrowed through the boom.

Rob Marris: May I take the hon. Gentleman back a little to the issue of household debt? One of the difficulties has been that for more than 30 years there has been a shortage of housing supply in the UK, and that has led to ridiculously high property prices. On the back of that, equity release, based on optimism that house price rises would continue, has gone on apace. The Government—and, I hope, the Opposition—are stretching towards what we need to do, which is to build a lot more housing so that there is no boom and bust in the housing market.

Furthermore, one of the drivers of the current situation has been the Conservative policy, in the mid-1980s, of removing the ban on equity release from mortgages. Like me, the hon. Gentleman is old enough to remember when people could not get money from a building society or bank on a house unless it was to buy or improve the property—the money could not be for buying a car, more furniture or whatever. We need to look at getting back to that position.

Mr. Hammond: I urge the hon. Gentleman to be a little cautious with that analysis. I suggest to him that although house prices are now falling rapidly—and, according to the hon. Member for Twickenham, will fall significantly further—the housing shortage has not gone away. The housing-asset price bubble has been driven by the growth of credit and the invention, for it was an invention, of clever new ways of creating credit, mainly through securitisation. That led to more money being available in the system and manifested itself as an inflation in asset prices.

I acknowledge, of course, that the housing shortage is an underlying problem, but a lot of people with no borrowing power—short of their houses—do not in themselves drive up house prices. House prices get driven up when the people who want to live in the houses can borrow effectively unlimited amounts of money to bid up the prices. That is what we have seen in the past few years.

The Prime Minister has repeatedly claimed, and did so again as recently as last week, that Britain is well prepared to weather the economic storm. In fact, back in January Alan Greenspan described us as being particularly vulnerable. The EU reports, and the IMF report that we saw last week, have confirmed that Britain is ill prepared for the recession, that we go into it with a bigger deficit than any other country and that because of our economy's narrow base, we are struggling to find the locomotive that will pull us out. That is because we have been so heavily dependent on financial services, rising public spending and the housing market during most of the economic growth of the past decade.

The Minister used the term "schizophrenia" towards the end of her speech. However, I have to say to her—perhaps the Economic Secretary will clear this up later—that the Government's position is far from clear on the question of an overall significant further fiscal loosening. We have heard lots of rhetoric and been given lots of briefings that are then not matched by the words that come out of the Prime Minister's or the Chancellor's mouth. Having heard the hon. Lady's speech, we are none the wiser as to whether the Government are proposing a massive fiscal loosening or merely considering targeted tax measures—along the lines that the Liberal Democrats propose and we have discussed—that are fully funded by changes elsewhere.

The immediate imperative must be to help those caught in the fall-out of this rapid economic decline—families facing repossession, sound businesses caught in a short-term cash crunch, employers who are having to face the agonising decision over letting valued staff go because their orders have dried up—and to fix the broken transmission mechanism in our monetary system. However, we must not lose sight of the lessons of the past few years as regards how we got to this point. A recession caused by excessive borrowing cannot be solved by borrowing and spending our way out of it. That will not work, and anyone who doubts it should ask the Japanese.

A responsible approach combines immediate, fully funded help for families and businesses to weather the recession; action domestically and internationally to restore confidence and thus liquidity to financial markets; a rejection of the superficially easy route of a massive increase in borrowing to pay for an unfunded spending splurge; a careful and considered response to the weaknesses that have been exposed in the regulation of our financial system; a proper, sustainable medium-term fiscal framework to restore market confidence that does not crumble at the first hurdle and will get the public finances back into a position where Governments will be able to help families and businesses in future downturns; and a focus on fixing the underlying weaknesses in our economy—the productivity gap, the skills gap, the unreformed welfare system, and the negative productivity growth in significant parts of the public services—all of which must be resolved if Britain is to maintain its prosperity and resume a sustainable growth path long after this immediate crisis has passed. That is the approach that Her Majesty's Opposition will continue to pursue.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Before I call the next hon. Member to speak, may I remind the House that a 15-minute limit on all Back-Bench speeches will apply from now on?

5.3 pm

John Reid (Airdrie and Shotts) (Lab): I should like to start with several welcomes. First, I welcome the fact that we are having this debate, because given the enormity of the challenge we face, the more time that we spend discussing it and seeking solutions and responses, the better. Secondly, I welcome the steps that are already being taken by our Government. I hope that that is widely recognised. Whatever other areas of disagreement might exist in this House, the Prime Minister, the Chancellor and the Government should be congratulated on the courage, decisiveness and leadership that they have shown not only in this country but internationally. It would be churlish for anyone in the Chamber not to recognise what has been recognised in so many other countries. Thirdly, I welcome the fact that the Government, and indeed many Opposition Members, recognise the requirement to address these complex issues in a multi-layered way: at the international, global level; at the level of central banks; at the sovereign, national level; at the level of inter-bank relationships; and at the level of individuals.

I understand that this evening, according to news reports, the Prime Minister will again urge a restructuring and reformation of the international monetary regulatory

[John Reid]

system. I do not know why that makes news; he has been doing so for years. Indeed, not only has the current leader of the Labour party been doing so, but the one before that, and the one before that. I have been here long enough to remember the one before that, Lord Kinnock, calling for a revision of Bretton Woods in the early 1980s. It just shows that if we stay around long enough, common sense—born out of a crisis—afflicts everyone.

Mr. Redwood: Does the right hon. Gentleman think that one of the priorities should be to put more capital into the International Monetary Fund so that it has enough money to lend to impecunious countries that are borrowing too much?

John Reid: I certainly think so, but there has been a shift in economic predominance from the west to the east, and we cannot merely ask other countries to inject liquidity into the international monetary system or the IMF without having regard to the fact that they may want something in return. That is an element of the international rearrangement of the mechanisms set up in the late 1940s, and since the 1970s it has been obvious that those mechanisms are inadequate in some respects.

I welcome many of the measures that have at least been hinted at regarding the protection of individuals, particularly those who need the most protection, through targeted cuts in taxation and so on. I do not know whether the Government are considering such measures. If so, I feel that they are to be welcomed. Of course, such measures need to be responsible and prudent, and there are automatic stabilisers in the system anyway, which entail an increasing dependence on Government finances because of the reduction of incoming income, and the increase in outgoing expenditure to protect the poorest.

Mr. Philip Hammond: Will the right hon. Gentleman clarify whether he is advocating to his colleagues on the Front Bench unfunded tax cuts that create a fiscal stimulus, or the sort of funded tax cuts that both Opposition parties have talked about?

John Reid: Ultimately, all tax cuts have to be funded from some quarter. I agree entirely with the Prime Minister and my Front-Bench team that a recession is not the time to cut back on public expenditure. Some of the increase in borrowing is automatic through the stabilisers, some of it comes through capital programmes, and some of it could be the result of targeted taxation cuts that result in borrowing. The overall limit to indulging in such borrowing has to be set at a responsible level. The point has been made that we are in a stronger position to do that than many other countries because of the stewardship of the economy during the past 10 years.

In the limited time that I have, I want to address a point that I raised with the hon. Member for Runnymede and Weybridge (Mr. Hammond), not for partisan reasons but because I am genuinely interested in the solution to what I regard as the central problem, which is that of inter-bank lending. My hon. Friend the Exchequer Secretary said that that was the primary task. It is relatively easy to envisage how we would address the reconstruction of the International Money Fund and associated bodies, and to see how we would address the problems of an individual bank through recapitalisation. It is a controversial matter, but it is relatively easy to see how we would help an individual.

It is not relatively easy, however, to see how we might get long-term, sustainable acceptance and confidence among banks that resurrect inter-bank lending, and I would like to deal with that point today. In doing so, I want to make it plain that what I have to say is a result of my involvement in very unusual parliamentary practices in the recent past—effectively, staying silent, listening and thinking. I apologise, and I include that because the ideas that I refer to are not my original ideas but those of some of the people I have been speaking to.

We all know that the global banking system has been under severe stress for more than a year, largely owing to a lack of trust between banks. Lack of confidence has resulted in banks largely, although not exclusively, being prepared to lend to each other only at accentuated rates on an overnight basis. That makes it impossible for the banks to provide the necessary funds to industry or the public—both need funds for a much longer time.

However, if a bank is not fully confident that it can get money in future, it cannot take the risk of lending the money that it has to customers. That problem is easily described. In dealing with the difficulties in the inter-bank markets and in trying to make funds available for industry and the public, several Governments have guaranteed the inter-bank markets. I contend that that can be only a temporary solution and that none of us can be confident that the crisis would not happen again if the Government withdrew the guarantees. That gets to the nub of a thorny problem. Indeed, in the absence of change, a crisis is likely to recur. Once confidence has been lost in the working of the banking system, it becomes far more fragile because everyone knows that it has broken down once and that, therefore, it can happen again. That clearly points to the need for a new structure.

Susan Kramer: The right hon. Gentleman is talking about an incredibly important matter, which, as he says, has been neglected. Does he realise that in the United States, several states—for example, California—are initiating major efforts to try to identify whether fraud lies at the bottom of many of the problem loans on banks' books? There is concern that fraud and extreme mis-selling, which has not been unravelled in the UK and other markets, is holding up reinvigoration.

John Reid: I do not intend to deal with fraud today—the issue of confidence is difficult enough to tackle.

The essence of the banking system is intermediating between the essentially short-term nature of deposits and the longer-term nature of loans. In addition, the banking system intermediates between areas where there are surplus funds and those where there is excess demand for them. The inter-bank market has evolved to deal with that intermediation. The problem is that the market has evolved largely on a self-regulating, principal-to-principal basis. The market is also extremely opaque, with participants having only limited, historic information about their intended partners, whether borrowers or lenders.

The problems that have arisen require a new structure for the inter-bank market, one which instils confidence, is transparent to the regulators at the very least, and is fully controlled. Regulation must be enhanced to focus on all exposures rather than operating in a world where exposures can be made to disappear by being taken off balance sheet.

There is no doubt that the problem is huge. I make a modest suggestion, which may catch the Government's attention and that of other hon. Members as a possible solution. In summary, it would entail the world's central banks establishing an international monetary exchange, through which all future inter-bank transactions would go—let us call it "IMX". It would operate like any normal exchange, with the central banks fully and unconditionally guaranteeing the exchange counterparty performance, so that no bank would have a reason not to supply funds to the exchange. All central banks would be fully responsible for the liabilities to the exchange of the banks for which they were the primary regulator. The central banks would own and run the IMX.

In the time available, let us consider the mechanism carefully. The IMX would operate like any other exchange, with the critical benefit that exchange participants could deal freely with the exchange without having to inquire about other participating members' credit status. Exchange technology is already well established and is available from many vendors. In my view, and that of those with whom I have discussed the matter, an exchange could be established in a matter of months by adopting the proven technologies from established exchanges.

There should be an exchange for each major currency, with the initial establishment of a global euro exchange, a global dollar exchange, a global yen exchange and a global sterling exchange, which would be owned and run by the respective central banks for each currency. Each central bank would guarantee the performance of its relevant currency exchange and set rules for the institutions that would be eligible to borrow from the exchange.

It is possible to identify some key features of such a system, even in the limited time available. First, anyone could offer liquidity to the exchange at a set price, including the central banks. Secondly, all inter-bank lending of participating institutions must be transacted through the exchange. Thirdly, borrowing from the exchange would be at the same price irrespective of the borrower, that price being set by the providers of liquidity to the exchange at any point in time. Fourthly, each central bank would set limits on local institutions and charge them for use of the guarantee.

It is also possible to identify the major benefits that might flow from such a system if established. Such a system would restore the necessary trust and confidence to inter-bank lending, allow for an innovative and free market to operate, and provide regulators and Governments with consolidated real-time information on global liquidity flows and counterparty exposures, thereby helping to prevent excesses before they occur. One of the problems that we have experienced in the past is the lack of forewarning, just as the asset valuation of lenders and borrowers was opaque. Such a system would reduce redundancy through inter-bank netting at the exchange level and significantly reduce counterparty management and friction costs. I therefore put my proposal forward as one worthy of consideration.

Such a system would do one further thing: assist in providing the basis for regulation. The current structure of the inter-bank market, coupled with the off-balance-sheet nature of many products, makes proper regulation of the financial system almost impossible. The unregulated nature of inter-bank and derivative activity, to which spokespersons in all parts of the House have referred, together with the many off-balance-sheet products, has facilitated the largely uncontrolled growth of credit and provided no early warning system to central bankers on either a global or local basis.

The introduction of an exchange would provide central banks with the complete and instantaneous information required to regulate those banks that they stand over. The inability of any institution to access the exchange without receiving the approval and meeting the requirements of the authorising central bank would provide that central bank with a formidable array of controls, information and potential regulatory levers.

We could ultimately provide an exchange that was self-funding, because institutions that would be members of the international monetary exchange should be charged for the access to funds which the scheme affords them. The unit cost of exchange participation could be set based on the stand-alone rating of the bank and the maturity of its net obligations—namely, on the degree to which it is a net borrower from the exchange.

I do not pretend that there are not many other considerations that would affect my proposal, such as the central bank limit and over-the-counter transactions, such as credit default swaps and so on, which can be moved into it. However, such a system would at least begin to tackle the central problem that we face when we consider the recession, the acute crisis that we have come through and the chronic problems that we are somewhere near the beginning of addressing. In many ways, the most intractable problem is restoring sustainable confidence in the inter-bank lending system.

I thus conclude by saying that, irrespective of the economic actions that are taken to stimulate national economies or, indeed, the global economy, it is essential that structural change should take place in the global banking market to avoid a future reccurrence of the collapse in confidence and the freezing of the banking market that we have seen. I am entirely with the Prime Minister and condone his leadership in attempting to reformulate the international monetary institutions. However, in the absence of an exchange, it is unlikely that full confidence will ever be restored in the global banking system, as today's problems can easily reccur.

The essence of banking is ensuring the efficient use of funds for the benefit of industry and society, with a fully functioning inter-bank market being the cornerstone of that intermediation. However, the current inter-bank market is not working. It is inefficient, opaque and largely unregulated. Introducing a regulated exchange would restore confidence, and it would be more efficient and transparent, as all inter-bank and even derivative-type activity could be instantaneously, centrally recorded. It would also greatly enhance the regulatory power and information of the central banks. It would not solve all the problems, but I believe it would be a major contributory factor to addressing the central problem.

5.20 pm

Mr. John Redwood (Wokingham) (Con): The right hon. Member for Airdrie and Shotts (John Reid) has made an important speech, and his idea is worthy of longer consideration, although some of the details would need to be fleshed out in order to see whether it was practical or could work. What motivates it is a sense shared on some parts of the Labour Back Benches, and certainly on the Opposition side of the House, that the twin crises that we are living through—the financial crisis and the recession—are not yet responding to treatment as quickly as we would like, and that the Government would be well advised to listen to friends on their side of the House, and to people on my side of the House who wish them well in trying to tackle the crisis, when we offer them advice on the other things that they could do to head off some of the worst disasters that might still lie ahead.

Listening to the Exchequer Secretary, I felt that she was being very complacent. She wanted everyone to believe that this was a global, rather than a British, crisis. Let us go back to August and September 2007, however. Northern Rock was a very British bank, lending too much money to British mortgage holders to pay too much for their houses, and getting into difficulties because it and its customers were greatly over-extended. It was regulated by British regulators, and they let it down very badly. They allowed it to expand too fast, and then starved the money markets of money in August and September. The Chancellor and the Governor of the Bank of England then lectured Northern Rock on how it had to live with its own mistakes. They brought the bank down and, afterwards, decided that the taxpayer should stand treat. That was not good management, or good regulatory practice, and I hope that the Government will learn from that and not do it to another bank.

If we look at the problems that the Government now have with Northern Rock, we can see what a bad so-called solution that was. Taxpayers were put on risk for more than £100 billion, and they have lost £580 million in the first half year in owning 100 per cent. of the equity. That was the stated interim loss. The second half losses might be bigger; there will certainly be such losses. Extra capital amounting to £3 billion has had to be sunk into the bank, and I do not think that we shall see a return on that any time soon. Half the staff are being sacked, £14 billion-worth of mortgages have now been repaid, and the bank is unable to make new advances. It is crippled, higgled and gravely damaged, and the taxpayer is going to have to pay all the costs involved in winding up a lot of the business, getting rid of the staff and shrinking the thing that was once a flourishing institution.

I invite hon. Members to cast their minds back to what the directors and owners of Northern Rock were debating in the spring and summer of 2007, as recorded in their annual report, which came out just before the crunch. They were discussing their response to the regulatory signals that were being sent out. The British and global regulators, but particularly the British regulators for Northern Rock, were telling them that they had too much capital for the volume of loans that they were making, and the discussion within the Northern Rock boardroom related to how it could get its capital down, or its loans up, in order to get nearer to the ratio that the regulator said was needed.

More recently, the British regulators have said to all the banks in Britain that the ratios to which they used to manage are no longer sufficient for the current circumstances, and they are making all banks have more capital, relative to the amount of lending that they do. So in the good times, when there was too much credit, the regulator was saying, "Don't worry. Lend some more. You don't need to have a very high ratio." In the dreadful times, when there is very little credit available for anyone, the Government and the regulators have decided to send the alternative message that banks in the middle of this crisis have to raise a lot more capital, relative to their lending. That does not strike me as wise regulation on either score, but once the regulators have taken such action it becomes the new hurdle or standard, and every other organisation must do the same, not just to meet the regulatory requirements but in an effort to rebuild confidence. The Government need to understand the important point made by my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), who observed that the £250 billion package of guarantees was not being taken up to a great extent. That is a sign that the package was not properly constructed.

I fully support the action of Government and the Bank of England in standing behind any major bank that is in trouble, and have always done so. Only a lunatic would want to see a major bank go down, and in view of the impact of Lehman's going down, I would think that even someone who was a lunatic before that event might now understand that it is better to manage institutions through crises such as this rather than precipitate a major crash on the back of a very large institution's biting the dust. That is why I supported the Government's £200 billion of extra loans; and it is why I supported all the extra money that they flushed into the money markets, and the £250 billion guarantee scheme.

I think that that guarantee scheme should be revisited. It is not the case that the lending rates in the market between the banks have fallen to the extent that they have returned to their normal relationship with the rates that the Bank of England is signalling, and it is not the case that there is now a fluid and functioning inter-bank market. The best chance that the Government have of getting that market going again is to tweak, or change, the guarantee scheme in the short term, so that more money can flow between the banks. They should be warned, however, that it will never function as well as it did before the crunch, because the regulators—perhaps for good reasons—are now requiring much more capital relative to the amount of lending. All the banks are now fighting to reduce, rather than increase, their loan books, because that is what the regulator and the Government are asking them to do. The inter-bank markets cannot be expected to be as fluid and successful as they were in June 2007, because the regulatory mood—along with the confidence mood—has changed in the banking market.

An additional problem is that the twin difficulties of the financial crunch and the banking crisis are reinforcing each other. While we have lived through some of the worst parts of the financial crunch—let us hope that we now have more stability, because there is a clear understanding in the markets that Governments around the world stand behind their banks in one way or another—we are only on the edge of the serious recession that is now being widely forecast by independent bodies

as well as by most Governments. I suspect that this Government will soon be forecasting one, when they get around to revising their figures.

That factor is particularly damaging to an economy such as that of the United Kingdom. The last 10 years in particular have seen very lopsided growth in Britain. Growth rates in London, with its financial services, professional services and business services, have far outpaced those in the rest of the country. Indeed, the growth rate in London has been more than double that in the north and west of the United Kingdom, reflecting the success of those financial institutions and the impact of the credit bubble on property-related and finance-related activity emanating from the very expensive districts in the centre of London. That concentration of effort makes the British economy doubly vulnerable to the downturn now hitting it. The epicentre of the crisis is the financial services and property sector, which is going to fall further—and we have more of it to fall than more balanced economies on the continent and in the Americas.

As the recession bites, the loan experience on all the bank books will deteriorate further. To date, we have been discussing the mortgage mess. The Government would like us to believe that the only mess that we really had to face was the sub-prime market in America, and it is true that some of our banks foolishly lost some money on that market, but we know that a far bigger crisis for the British banks was the mortgage crisis in Britain, where too much mortgage advance was made on house prices that were too inflated. There are big losses coming through as a result of that, which is why it was Northern Rock and Bradford & Bingley that needed special treatment in the United Kingdom. British banks under British regulators built a British property bubble.

The next phase of the crisis, unfortunately, will be a sharp deterioration in the loan experience that constitutes lending to everyone else, not just those involved in property and finance. The economy is now falling off a cliff, and activity is falling dramatically in sectors beyond finance and property. That means that there will be many more bad loans throughout the range of business activities and the industrial and commercial services sector, from here to John o'Groats. All around the country, the same pressures will be felt as the recession bites.

That is why I repeat my advice—it is heartfelt, as I love my country and wish it to do well—that when thinking about buying banks, the Government should be extremely careful about how much equity risk they take on. If they are really going to persist in taking major shareholdings in banks the size of RBS, which has an average balance sheet over the year of £2 trillion, a sum that is bigger than the national income and five times the tax revenue of the country, they should understand that it requires only a small mistake in terms of a bank's assets and liabilities that falls on the wrong side for taxpayers for them to have very major losses on their hands.

That is why, in this period of relative tranquillity before all the deals go through, the Government should be looking again at the terms and the balance sheets that they will be taking over. They should be sending in the forensic accountants now. We all know they will stand behind the banks, so there will not be a confidence problem. There will, however, be a confidence problem in the Government, and in the amount of Government debt they will have to issue, if they do not behave sensibly by doing some basic accounting work and risk assessment on these huge banks that they are now thinking of nationalising or buying major shareholdings in. The Government should be warned by the fact that they lost £580 million in the first half on a very small bank—Northern Rock. They should remember that RBS is 20 times the size of Northern Rock, so if something goes wrong they will be playing not for a few billions of pounds, but for tens of billions. That is serious money, even for a rich country with a Government who collect as much in tax revenue as the current Government do.

If the Government press on, they must understand that where they are majority owners of a bank, they are responsible for everything. Ultimately, they are responsible for the lending policy, the bonuses and the number of highly paid staff, and for whether a loan is made to Mr. Snooks or Mrs. Smith. They will be made responsible by their electors—the people out there—who will not understand if they say, "This nationalised bank is not actually run by the Government. Yes, we the Government put in all the money on behalf of the taxpayers, but we have no control over how the money is spent."

Kelvin Hopkins: I am following with great interest what the right hon. Gentleman is saying. He seems to be supporting my earlier contention that the Government ought to put in people to regulate the internal operation of the banks, to make sure that they act in the public interest.

Mr. Redwood: There is at least one difference between us, in that I would not nationalise a bank at all, as I think that would be too dangerous for the taxpayer. The hon. Gentleman is right, however, that if the Government persist in nationalising—taking a majority stake or complete control—they cannot avoid ultimately being responsible for the financial consequences of their actions. I think that Ministers are completely responsible for Northern Rock. They own 100 per cent. of it on behalf of the taxpayer, and I quite understand why people will want to make that an issue with Ministers.

Why did the Government take this huge stake in Northern Rock? They presumably did so because they felt they could do a better job in the public interest by backing the bank than by enforcing a market solution. They did not seem to want a private sector bank to take over Northern Rock, and they did not want just to lend it some money to see whether it could then find ways of making more profit or raising capital in the normal way. I therefore think the hon. Gentleman has a point. When Ministers say they will not intervene, they do not really mean that, of course, because they have already told us they have views on bonus payments and on how much lending should be done. When Ministers try to enforce elements of those views, they will discover that they are trying to do so in respect of very complicated institutions that could lose the taxpayer a fortune if the wrong guidance is given, and which might lose them quite a lot of money even if they do not give any guidance at all. They will find this situation extremely difficult.

It is also crucial to offer people the hope that, in the process of settling the banking crisis in the way we have been debating, more will be done to try to offset the real

[Mr. Redwood]

damage being done to the rest of the economy. I welcome the new enthusiasm in all parts of the House for tax reductions. It is vital to put more spending power into people's pockets as quickly as possible. Income tax cuts for those on lower and middle incomes would be extremely welcome, as it would be the quickest way of injecting more spending power into the economy.

Ruth Kelly: Does the right hon. Gentleman accept the proposition put from the Conservative Front Bench that those tax cuts should be fully funded, or is he arguing for a fiscal stimulus?

Mr. Redwood: I would not start from where the right hon. Lady and her Government start from. I would be running a much more prudent show than they are, because I would not want to spend all this money on bank shares; I would do it by short-term loans and in the other ways that have been identified, so I would have room for a fiscal stimulus in my Budget. My Front-Bench colleagues have backed the banking package in full, which was very generous of them. However, they are absolutely right: given that amount of borrowing—the banking package as well as the rest of the borrowing—it is too risky to borrow yet more for the fiscal stimulus. They are drawing attention to the fact that Britain is not well equipped to do what it should be doing, which is to give a fiscal stimulus by cutting taxes and borrowing in the short term to pay for that tax cut. Given where the national accounts are, it would be ruinous to add yet more to the borrowing.

The Labour Government seem to believe that there is a free lunch out there. They believe that because a recession is coming, they can say that they can borrow any amount they like, and the markets will miraculously supply it. They need to be very careful. Past history in this country shows that markets can be very forgiving for quite a long time. Of course, markets are just groups of people: they are all the people in the country and overseas counterparties, and they, like Ministers, want the economy to do well and would like all these packages to work. However, if the Government start to present markets with too big a burden of borrowing—if they say that they need to borrow such colossal sums that the markets say, "But we're not sure we can find that money any more"—we will be in a far worse crisis than we are currently experiencing.

At the moment, the Government seem to think that the answer to too much borrowing and lending in the private sector is to transfer it to the public sector. That is not the answer. If the problem really is, as they described, too much borrowing and lending, we have to go through a process of reducing it. We can do that in a very sharp, quick, deep, damaging way; or we can try to manage it over a longer period, so that there is not such a sharp downturn, but a longer period of slow growth, no growth or modest reductions in activity. The Government seem to have lurched from wanting a very sharp reduction in private sector debt—that is what their regulators and the Monetary Policy Committee were saying last year, with the Chancellor saying that it would serve the private sector right—to wanting a much slower run-down. If they simply transfer it all to the Government sector and build up even more Government debt, they might have another problem on their hands: that of finding it very difficult to finance their borrowing at a sensible price.

The Government have already taken a big hit on the currency. We are about a quarter worse off against the dollar compared with a few months ago, there has been a very big slide against the yen, and against all the strong currencies of the world sterling is very weak. If the Government are not prudent enough, they could also have a further leg down on sterling, which would make us all a lot poorer and make it more difficult to raise the money that they need to carry out their tasks.

5.38 pm

Ruth Kelly (Bolton, West) (Lab): I congratulate my right hon. Friend the Member for Airdrie and Shotts (John Reid) on making a really innovative proposal today; for some time, I have not heard expressed in this House a new proposal on dealing with the issues that confront us today. It could be a way genuinely of dealing with counterparty risk, and of providing incentives for different countries across the world—surplus or deficit countries—to co-operate and abide by certain international rules of the game. His proposition certainly deserves to be explored further.

I have listened with interest to the contributions, particularly as I am a relative newcomer to this debate. The Liberal Democrats have at least been consistent in their critique of the Government. It was quite interesting to hear the sharp change in tack from the official Opposition Front Benchers. One moment they were espousing bipartisanship; now they seem to have lurched to the opposite extreme of criticising everything that the Government do. Both Opposition parties have come together in blaming the Government, and particularly my right hon. Friend the Prime Minister, for presiding over a build-up of personal and public debt during his time as Chancellor of the Exchequer. They seem to think that the credit crunch and the global issues that we face are largely the result of domestic policy errors in the United Kingdom. I argue that those accusations are fundamentally misguided. They misdiagnose the problem, and when one misdiagnoses the problem it is impossible to provide accurate solutions or to learn the lessons necessary for the future.

The Government should be judged on whether they understand the nature and scale of the current crisis; on whether they are putting in place the right actions to deal with it, both for now and for the future; and, lastly, on the state of the economy as we enter the forthcoming downturn—did we fix the roof as the sun was shining? On all three counts, the Government will be proved to have had the insight and the character necessary to deal with the global downturn—on all three counts, the official Opposition, at least, have failed.

Nobody disputes the severity of the current crisis. When, at the end of August, my right hon. Friend the Chancellor described the financial circumstances as "arguably the worst" for 60 years, he was widely derided, so I was interested to read the following in the Bank of England's financial stability report, which was published last week:

> "In recent weeks, the global banking system has arguably undergone its biggest episode of instability since the start of the first world war".

We are talking not about 60 years but about almost a century.

Mr. Redwood: Does the right hon. Lady think that the Chancellor was wise to make his moral hazard speech in September 2007, in which he said there would be no support for any bank, and that it served the banks right if they got it wrong?

Ruth Kelly: We have all learned lessons during this credit crunch crisis and its implications. A natural fear of moral hazard at the emergence of the tightening of credit conditions has turned to a preoccupation with trying to fend off a global slump, as the reality of the impact that a severe credit crunch can have on the economy has dawned.

The seeds of the crisis can be traced back to the development of current account and trade imbalances over the past decade, fuelled by financial market liberalisation and abolition of capital controls in the late 1980s, one symptom of which was the unfettered access of businesses and individuals to credit. Of course, many businesses and individuals are perfectly good credit risks, and not for a moment would I suggest—I hope that few Members of this House would suggest it—that we should roll the clock back to the days when individuals and businesses were denied credit lines.

The soaring of current account surpluses in Asia led to low global real interest rates, which, combined with cheap exports, created downward pressure on inflation. The consequence was a sharp increase in borrowing in a number of countries, including the United Kingdom, partly financed by the inflows of foreign capital lending. As we all know, that was accompanied by the greater integration of capital markets, an increase in risk, a reduction in transparency and an explosion in credit derivatives as a response to the huge market in securitised assets. Credit derivatives were supposed to make securitisation less risky, but they ended up making it far riskier.

As a result of that global interdependence—between banks and between banks and other financial institutions —the global system became particularly vulnerable to any shock. The immediate shock in this case were the losses in the US sub-prime mortgage market. Those losses made credit derivative contracts prohibitively expensive, securitisation ground to a halt, and banks became fearful of lending to each other and fundamentally reassessed each other's creditworthiness. Overnight lending dried up, and this systemic risk was noticed and perceived not just in one country but across boundaries.

That was the beginning of the real credit crunch—when it started to bite; the market turmoil; the halving of the capitalisation of world stock markets; the losses of $2.8 trillion, which are now being felt with dire consequences for businesses and individuals; and, of course, the risk of a global slump.

In such circumstances, I would argue that the urgent need was for bold action to get the inter-bank market moving. I apologise for not taking up the proposition of my right hon. Friend the Member for Airdrie and Shotts as an automatic conclusion, and for not dwelling at length on that issue. As has been acknowledged, he was right to concentrate on that fundamental weakness in the system, but capitalisation and the degree of capital injected into the system were key ingredients in confidence. My right hon. Friend the Prime Minister and my right hon. Friend the Chancellor were, I think, right to take bold and urgent action to re-inject capital into the banking system, to inject liquidity and, of course, to institute the guarantee of inter-bank lending. We might need to reassess whether that guarantee is working, but I certainly would not jump to the conclusion that it was not being taken up and that that was a clear sign of failure: far more important is the price of inter-bank lending, which, of course, as my hon. Friend the Exchequer Secretary said, has fallen recently.

The Bank of England is to be congratulated on its bold move to cut interest rates by 1.5 per cent, although many of us might wonder whether it did so soon enough. My right hon. Friend the Chancellor, too, should be congratulated on persuading the banks that they should pass the cut on to mortgage holders. It remains to be seen whether any further cuts in interest rates will have the same impact on personal lending rates.

What about fiscal policy? It is absolutely right that the key macro-economic question, rather than the one of inter-bank lending, is whether there should be a fiscal stimulus. It is clearly right that borrowing should be allowed to rise during a recession, because accommodating an increase in benefit bills and a reduction in tax receipts will naturally lead to an increase in borrowing. I am glad that the official Opposition have now made up their mind that it is right to allow borrowing to rise and automatic stabilisers to be used during an economic downturn.

The big debate is whether there should be a discretionary fiscal stimulus or loosening on top of the use of the automatic stabilisers. The judgment on whether there should be an additional fiscal stimulus seems to depend on whether we think that foreign investors will have confidence that we are not going to default on our debt, and, in particular, on what will happen to long-term interest rates. For any fiscal stimulus to be effective, it must be seen to be temporary. Were the Government to embark on such a venture, they would also have to plot a clear path back to a more sustainable or more balanced position.

Such a move would be much more effective if it were co-ordinated internationally, rather than it resulting from unilateral action. When I look at the figures for the deficits and the public sector net debt as a share of GDP, I find it hard to accept that the markets would not think that the UK was a pretty good bet that could tolerate the running of a pretty large fiscal deficit for a while.

I do not know how the Opposition explain the fact that public sector net debt, relative to GDP, is the lowest of any single major industrialised nation other than Canada. Of course, there is Northern Rock. The right hon. Member for Wokingham (Mr. Redwood) shakes his head. I think that the nationalisation of Northern Rock was essential, but the question is not what the level of deficit is but what the level of public sector net debt was when the situation began.

According to the Office for National Statistics, public sector net debt was significantly lower than the level that we inherited in 1997. In fact, I clearly remember sitting in this Chamber when my right hon. Friend the Prime Minister, as Chancellor of the Exchequer, explained that he had used the telecom spectrum receipts to repay more debt in one year than had been repaid in the previous 50 years combined. Frankly, it is not surprising

[Ruth Kelly]

that we enter this downturn with a pretty good and sustainable debt position, which should enable us to take any action necessary.

The Government must hold their nerve, continue to be bold and take the action required in the short term, but they must also think hard about the longer term international action required to put in place a new set of global rules to try to minimise the recurrence—or the likelihood of a recurrence—of a global credit crunch. My right hon. Friend the Prime Minister, with the Chancellor, is leading on reforming the international financial system and has argued for a long time for the overhaul of credit agencies. He argues, too, that the global system should offer countries incentives to behave well, and that international macro-economic action is required to stave off a global slump. In such circumstances, the premium is on being bold and taking the action required, and I think that the official Opposition will rue the day they decided to be so timid.

5.50 pm

John Howell (Henley) (Con): The Exchequer Secretary referred earlier to the benefit of hindsight, but the benefit occurs only if we are prepared to learn the lessons. There was enough evidence to be able to spot the crisis coming. The International Monetary Fund identified 64 banking crises around the globe between 1970 and 1999. It showed—as did other studies—an overall pattern in each of the crises, starting with lax lending, preceded always by a lending boom. The lending was on risky assets, which were often politically directed for social purposes. The result was unusually exposed institutions and unusually exposed risks.

The second element in the structure of those crises was that banks and regulators were overstretched—to be charitable—by the volume of business, or regulators simply believed what the banks told them because they were not ready for the risks that were coming along. The third element was that at the time no one was interested in curtailing the level of debt, because they could not see that it was in their interests to do so. Each crisis led to a change of behaviour and of attitude, where reckless lending was described as bold and rewards for risk takers increased beyond the risk involved.

What burst the bubble was different in each case, but it is absolutely right to ask why the Government did not recognise that sequence, which had already been set out by the IMF and in a very easy to read article published in *The Economist* three years ago. One is tempted to answer the question by saying that the Government were so confident that they had ended boom and bust that they did not believe it would happen in the UK; they had actually started to believe the spin of their fiscal rules.

Many Members have mentioned the international situation. I have been involved in projects that helped to introduce financial institutions to the global market, and it is right to say that the global nature of the market makes the situation more difficult. It is thus absolutely right to call for the sort of international action on regulation and transparency that my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) proposed in his speech. However, despite the international relationships of financial institutions and products, the major issue in surviving such a crisis is the strength of national economies. To see the situation as nothing more than a contagion from abroad is fundamentally to misrepresent it, and fails to distinguish the contagion of the disease from the contagion of knowledge of the disease. For example, the latest US research into the sub-prime market shows that what did for Fanny Mae and Freddie Mac was not that they had caught the sub-prime disease but that everyone thought they had caught it. That is what burst the bubble—a domestic situation and a domestic issue of confidence.

A crisis such as this needs domestic material to work with, and there is plenty in the UK. When UK financial institutions rapidly expanded from lending on the basis of short-term wholesale market borrowing, they created a mismatch that was asking for trouble. The debt boom and the Government's role in it extend beyond the simple fact of debt. Other Members have already commented on that, so I shall say no more about it. However, it fed into a state of mind.

Three of the conclusions in the Federal Reserve Bank of New York's study on the sub-prime issue drew out some general points that are relevant now. The problems the study identified were a convoluted loan product system that consumers did not understand, a credit rating system that did not do a good job of highlighting the risks and a lack of incentives for institutions and Government organisations to carry out research into the risks.

On the first of those conclusions, the Government are complicit in convoluted loan programmes that consumers do not understand, such as shared appreciation mortgages, whereby banks recoup the cost of a mortgage—by huge percentages of capital—when the house is sold or the mortgagee dies, leaving people with insufficient equity to move on. Such mortgages were unveiled—believe it or not—as a millennium product by Lord Mandelson, in his first incarnation as Trade Secretary. The lack of incentives for institutional investors and Government to carry out their own research must lie behind the failure of the regulatory system.

I have spoken before about the lack of credibility in the fiscal rules, but their underlying weaknesses are why they are so flaky. The weakness lies in the assumptions on which the rules were measured—the variations in determining the amount of debt, what constitutes debt and the length of the cycle—and in the fact that the Government did not stick to them. The rules were too vague. What they were not was an operational rule, and it is doubtful whether they could be. They were too simplistic to guide policy and too open to be easily manipulated.

What activity do we want? We need to allow Parliament to debate and monitor more closely the Government's fiscal performance, which is why I wholly support the creation of the office of budget responsibility that my hon. Friends on the Front Bench have suggested in several debates.

It is a great shame that much of the speculation in the papers about incentives and stimulus has concentrated on amounts rather than on quality. There has been massive financial disruption, so the priority is rightly to sort it out rather than to argue about general fiscal stimuli.

Mr. Redwood: My hon. Friend is making some important points. Has he seen the work of our hon. Friend the Member for Braintree (Mr. Newmark), who believes that true Government indebtedness, including pension liabilities, is now £1.8 trillion—120 per cent. of gross national product—which is why some of us are worried about the country's financial position?

John Howell: I am grateful to my right hon. Friend for making that point. He is absolutely right: a number of factors have not been taken into account—the pensions element is one, and the whole business of private finance initiatives is another. That is why it is crucial, as I said, to recognise that although the rules are too vague and flaky, it is not the rules themselves that cause the problems but their underlying assumptions. We can all make nice big rules, but if the assumptions and the data behind them are not accurate, there is no point in having them.

We must look at the quality of any proposed stimulus. I was interested to hear that the hon. Member for Twickenham (Dr. Cable) has three favourite words to describe the quality of a stimulus. I have my favourites, too. The first is that the stimulus needs to be "effective", which means that we must know what it will achieve and when. Secondly, it needs to be "temporary"—as the right hon. Member for Bolton, West (Ruth Kelly), who is no longer in the Chamber, mentioned—so that it does not worsen the structural deficit. Thirdly, it should be "efficient", so that the outcomes yield value. However, we must be cautious about any temporary fiscal easing so that we make sure that it is capable of being swiftly and credibly reversed.

5.59 pm

Kelvin Hopkins (Luton, North) (Lab): I am pleased to have an opportunity to speak in this important debate, but I do not think that we should give the Liberal Democrats quite so much credit as some hon. Members have done. I remember not so long ago when the Liberal Democrats were signed up as hard-liners to the neo-liberal project, the same as the Front Benchers of the two major parties. I never signed up to that. Indeed, the Liberal Democrats not so long ago had an orange book putsch in their party that was a victory over the minor group of social democrats who remain from the days of the past. Just recently, they have rediscovered little bits of social democracy, but just because they are dipping their toe into the water does not mean that they have been fully converted. I, for one, remember what they used to be like and do not give them too much credence for what they are saying now.

I was complimented by the now leader of the Liberal Democrats in a debate on Europe some three years ago, when he said that I was the only hon. Member to propose a coherent alterative economic strategy. He said that it was a socialist strategy. He did not agree with it, but he said that I was at least the only one who had a coherent alternative. I like to think that I have stuck with that coherent alternative throughout my time as a Member. Indeed, when I first entered the House, I said in my maiden speech that I had come here among other things to oppose neo-liberalism. At this point, I have been proved right: neo-liberalism has led to an appalling world crisis. If we had had greater regulation, particularly of the financial sector, and retained larger components of public ownership of the utilities, a larger state sector and more general economic controls, we would not be in this situation.

John Hemming (Birmingham, Yardley) (LD): I share the hon. Gentleman's concerns in respect of the regulation of the financial services institutions—I declare my interest as a shareholder in some of them—but why does he think that the utilities are key in the financial crisis?

Kelvin Hopkins: I have always felt that a significant state sector, as we had until some 30 years ago, was useful not just because it provided the public with a good deal, but because it was a component of economic management and brought a considerable amount of income into the Treasury. The mixed economy that we used to have worked very well. The instabilities have taken place since we started to dismantle that and to put everything into the private sector and the market, and I think that we will see a reversal of that. In fact, if I had said in the debate on Europe, when the now leader of the Liberal Democrats was so kind to me, that I believed that the Government should take a substantial stake in the banking sector and start to arm-twist the Bank of England to reduce interest rates, and that a Chancellor would tell the banks and building societies to reduce their lending rates and pray in aid the name of J. M. Keynes, he would have thought that I had gone mad. However, that is precisely what has been happening in the past few weeks, and I am very pleased that it has been.

Mr. John Horam (Orpington) (Con): As the hon. Gentleman says, the Government and the Governor of the Bank of England have been trying to persuade the banks to lower their interest rates in line with a cut in the general interest rate in the past few days. Curiously enough, the bank in which the state has one of the biggest says—the Bradford & Bingley—has stopped lending altogether. Is it not better in fact to have a properly regulated system, rather than a state-controlled system?

Kelvin Hopkins: The two could easily go together. Indeed, the rate that is charged to existing borrowers and whether one is extending borrowing are two issues. I would want to ensure that both of them are positive in helping the economy. Nevertheless, the reduction in interest rates last Thursday will make a significant difference to the disposable income of the existing mortgagors and borrowers, of whom there are millions, who have been paying interests rates that are too high. That will put a significant stimulus into the economy. I welcome that very much indeed.

I return to the theme that I have raised many times in the House: the Government ought to retain control of the levers of economic management, which are several, but I shall mention the three main ones, the first of which is interest rates. I was an opponent of giving the Bank of England so-called independence. Interest rates should be controlled by the Government, who should be accountable to the House for their policy on interest rates. I have always thought that, and I think that it is the case now. Interest rates should not simply be geared to the inflation rate. Indeed, the Government are now saying that the Bank of England should consider the wider economic impact of changes in interest rates, not

[Kelvin Hopkins]

just inflation. If the Bank had been looking at inflation, which is currently and temporarily quite high, we would not have seen that reduction in interest rates last Thursday. I am glad that the Bank is now looking at the wider economy and acting appropriately.

The danger indeed is not inflation, but deflation, which is much harder to deal with than inflation. If prices start to fall, which happened in Japan, arresting a fall in prices is very difficult indeed. People anticipate falls in prices and therefore abstain from spending until prices have fallen further, which generates a vortex of deflation and a downward spiral into slump. We must avoid that, and anyone who looks at the situation now and urges caution in Government spending or the fiscal stance is gravely mistaken. We are still in a very difficult situation, and I want to ensure that unemployment does not rise and that living standards do not fall, as is possible if we were to move in that direction.

Another lever that the Government have wisely kept control of—to an extent at least—is the exchange rate. I applauded the Prime Minister when he decided as Chancellor not to enter the exchange rate mechanism. He kept control of our own currency, as a lever of economic management, and rightly so. Of course, the problem was that, after 1997, sterling appreciated substantially. That was a big mistake. I was one of those who supported the ideas of Gerald Holtham, who had been the director of the Institute for Public Policy Research and who said that we ought to intervene in the international money markets to bring down the value of the pound, because sterling was overvalued. If hon. Members want evidence of how overvalued it was, they should look at our structural trade deficit over the past many years.

We should have intervened to reduce the value of our currency relative to other currencies and avoided the situation that we are now in, with record trade deficits. Okay, that will have an effect on what we buy from abroad. I like a good bottle of French wine, for example, and I might have to pay more for it. What a terrible shame. It is appropriate that we ensure that our currency value is correct and suits our internal economic needs. If the pound depreciates, it deflects demand to home products and home producers, and it keeps the demand in our domestic economy high. That is what we should be doing now. I welcome the fact that the pound has been depreciated significantly in the past year, and I hope that it stays down and is managed to stay down for some time to come.

Of course the third lever is spending and taxation. Perhaps we have not taxed enough. I would not say that we have not spent enough—we should have spent more—but we certainly have not raised enough in taxation while we have been spending over the past few years. I have said in the Chamber on a number of occasions that we should have raised taxes, particularly on the rich. I have also suggested that the Government should make greater efforts to collect all those taxes that are avoided—£33 billion-worth, according to the TUC's recent booklet. We should do more to avoid tax fraud. Tobacco smuggling and VAT fraud account for another £14 billion. There is money to be had, and the Government could rake in at least some of it if they made greater efforts. Even if they raked in 30 per cent. of it, it would make a significant contribution to the Exchequer and enable us to sustain public spending where it needs to be maintained.

We should not be trying to restrict the fiscal balance; we should be worried above all to ensure that there is enough spending power in the economy to sustain employment in this very difficult time and to avoid above all going into a slump. That is a serious danger now. There has been talk about why the banks are still nervous. They are still nervous because there is still a lot of toxic debt around and they do not quite know where it is. The banks are nervous about lending to one another, because they do not quite know how much toxic debt each one has got.

We have to make sure that the Government sustain the banking sector, and that we get through this difficult period. There is still the problem of toxic debt, and many hidden problems in the banking and international finance sector; we have to find our way through that, even if it means having a bigger state sector and more regulation. I must say that I applaud what my right hon. Friend the Member for Airdrie and Shotts (John Reid) said about international regulatory machinery. We are going back to something like the Bretton Woods agreement; we are starting to talk seriously about regulating the international finance sector, instead of leaving regulation to the financial markets and people who gamble with our lives—our money—for their own benefit. It is interesting that Nick Leeson, who went to prison for gambling with Barings bank's money to the extent that it went bankrupt, complains that people who do the same sort of thing now are just bailed out. We ought to look at that. We should make sure that those people do not get hold of our economies and our lives again. If we have to extend the public-sector part of the banking and financial institutions sector, so be it.

I urge my Front-Bench colleagues to use all the levers of macro-economic power to make sure that, above all, we avoid a slump and build our way out of the obviously difficult recession approaching us. I have been unapologetic about my support for traditional Keynesian policies, for a degree of intervention in the economy, and for having a substantial public sector as part of an economy that can be managed by the Government. I am against leaving everything to the market.

Keynes and others said that the market, when left to itself, tends to redistribute income from the poor to the rich. That is inherently deflationary, because rich people save more of their money, and poor people tend to spend it. If one wants to keep an economy buoyant, one has to make sure that poor people have enough money in their pockets to keep it going. If one gives it all to rich people, they put it in banks, save it, or put it in offshore accounts, and they deflate the economy. Redistribution and intervening actually help to keep economies buoyant, maintain employment, ensure a decent life for working people and bring about a high level of social justice, which is what most Labour Members have spent their lives fighting for. Obviously, I will vote with the Government tonight against the Liberal Democrats, but I hope that, in their new-found enthusiasm for social democracy, the Liberal Democrats continue to move further to the left, and eventually become socialists.

Mr. Alan Reid (Argyll and Bute) (LD): In view of the hon. Gentleman's speech, surely he should vote with us, because our motion calls for a reduction in taxes for

people on low and middle incomes, and refers to plugging the tax loopholes used by the rich. Surely that is redistributive, so I am disappointed that the hon. Gentleman is not voting with us.

Kelvin Hopkins: I did say at the beginning of my speech that I was not convinced by the Liberal Democrats' recent conversion to a little bit of social democracy. My tax changes would go a lot further than those suggested by the Liberal Democrats. I suspect that the motion is a little bit about courting the electorate before the next election, and is not to be taken too seriously.

6.13 pm

Susan Kramer (Richmond Park) (LD): It is always an honour to follow the hon. Member for Luton, North (Kelvin Hopkins). We are getting a blend of the 18th and 21st centuries in speeches tonight, and that is always a pleasure. I want to pick up some of the issues that have been raised and perhaps to take them a little further. I was very interested in the speech made by the right hon. Member for Airdrie and Shotts (John Reid) about the inter-bank market. He proposed that the central banks create an exchange that takes account of party risk for banks on either side of the inter-bank market. I just want to point out possible fundamental flaws in that approach. That is not to say that we should not explore it; however, it might not be the palliative that it appears to be at first glance.

As hon. Members will know, there are already exchanges within financial markets—an example is the futures market—that take different kinds of counterparty risk. However, they do it by having margin pools. In other words, they require parties to pay ahead of their due dates, if that is the easiest way to describe it, in order to limit their exposure to the counterparties on either side. If an exchange takes the full credit risk of the counterparty for the banks on both sides of a transaction, the encouragement given to banks to make an irresponsible decision is quite extraordinary, because the transaction is protected by the exchange that stands in the middle. That is almost like saying that the package put together by the British and other Governments to come to the rescue of banks should not only be placed on a permanent footing but should be of a size and proportion that would, in effect, cover the whole banking market. That is a degree of exposure that we cannot possibly underwrite and undertake.

For all of us, there is a sense of great failure in the fact that banking institutions have failed to assess the risk of the transactions with which they have been involved. Rather than relieve them of responsibility of ever having to assess that risk, we ought to require them to assess it. That is the direction in which we have to go; we should not basically say that central banks, and essentially Governments, will stand in the middle and take that counterparty risk.

John Hemming: I share my hon. Friend's concern about the proposals made by the right hon. Member for Airdrie and Shotts (John Reid). Does she agree that if we tried to establish a central body to take on the counterparty risk, the danger is that it would take on the counterparty risk for entities regulated in other European economic area countries? As a consequence, we would be taking on risks for places far beyond the UK—for Iceland, Estonia and so on.

Susan Kramer: My hon. Friend is right, and it strikes me as impossible for an international body to have sufficient grip on and be sufficiently responsive to the sort of transactions and changes made by individual banks all over the globe. Such an arrangement would also remove responsibility from banks—a responsibility that no Government or central bank should take.

The right hon. Member for Wokingham (Mr. Redwood) talked about the imbalance in the UK economy. That has been a concern of mine for a long time. There was a general feeling that it was following the direction of the future, and not taking a risk, to allow developments in financial services and the various spin-off industries and businesses to become overwhelmingly dominant within the UK economy. However, there has always been a risk involved. For example, nobody in this Chamber, when considering their pension, would put all their eggs in one basket or all their money in one sector of the economy. However, we in this country have largely allowed ourselves to invest heavily in one sector of the economy, largely on the assumption that it would be immune from the cyclical patterns that we know exist in manufacturing and what we might consider to be the more traditional industries. We have discovered that financial services are no more immune than other sectors to inevitable cycles; they follow the patterns that have developed in other industries and sectors. We have put ourselves into the terribly difficult position of having only one major arrow to our quiver. We must avoid going in that direction in future.

This seems an ideal opportunity for the Government to focus on developing the green industries that we need if we are to tackle climate change. Often, when I hear people talk about the economic recession—we are at the beginning of it—I find that they tend to feel we should abandon environmental targets and our work to tackle climate change because we have to give priority to getting the economy back into shape. They have always seen the two as being in conflict with each other. I have never believed that they are in conflict. This is surely an opportunity for the Government to use every mechanism possible to encourage those industries, for example by encouraging the development of new technologies that will reduce our use of carbon and new forms of energy. Work needs to be done on infrastructure, too. There is a whole range of activities that the Government could begin to develop and underpin. We have before us a great opportunity to channel investment into the future; we know that that is required if our children are to have a reasonable environment in which to live. I want to encourage the Government and to hear whether they intend to take advantage of those issues.

We are all concerned about how the regulators behaved throughout the period leading up to our financial crisis. The notion that regulators behaved perfectly and the crisis developed despite them strikes me as extraordinary and naive, and work must be done to create a much more rigorous regulatory system.

Dr. John Pugh (Southport) (LD): Does my hon. Friend recognise that after previous bank crises, there was a demand for a modest amount of new regulation, but that there was no wholesale demand throughout the City or the political parties for better regulation until now?

Susan Kramer: I very much agree. There is suddenly demand for a lot of new regulation, but wise regulation might be better than simply stacking up layers of additional

[Susan Kramer]

regulation. We must work out what needs to be regulated and how it would be most effectively done, so may I suggest one step in that direction? Members will be aware that the Parliamentary Ombudsman recently reached a verdict of maladministration against three of our most significant regulators in the case of Equitable Life, but the Government have not acted on that verdict. What better lesson could the markets, more broadly, and the regulators in particular, be taught than to live up to the terms that the ombudsman laid down, with an apology from every regulator to all those who lost out by taking pensions through Equitable Life, and the payment to them of the full compensation that the regulator called for?

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): My hon. Friend makes a very good point about the ombudsman's report on Equitable Life. It is disappointing that the Government have still not reached the point of saying sorry. Even then, they could develop the details for implementing the practical recompense. The Government have often prayed in aid the fact that it was a big report, but they had draft copies and knew where it was going. It should not have taken them so long to recognise that they needed to say sorry to the people who invested in Equitable Life.

Susan Kramer: I very much agree. The ombudsman was very clear and, so that it was not too complex and difficult for the Government to grasp, made only two recommendations: one was the apology, and the other was a swift process for implementing compensation in full. When it comes to compensation for those who invested in Equitable Life, what once might have seemed like an extraordinarily large amount is lost to the right of a decimal point in the commitment of funds to resolve the broader banking crisis.

Small businesses are very important in my constituency, and Member after Member has talked about the problems that small businesses in their constituencies have had obtaining credit, despite the Government's belief that they have from the various participants in their banking recovery plan the commitment to keep lending to small businesses at 2007 levels. One particular group in my constituency has been suffering, and its situation indicates the depth of the problem. This group, traditionally, has not needed credit lines and therefore has no credit history. Today, however, the companies need credit because their customer base is starting to pay late, but because they have no credit history, the banks are closed to them. Tied to that is the issue of suppliers. I know that the Government have said that they will try to pay people in 10 days, but my hon. Friend the Member for Twickenham (Dr. Cable) asked for much more detail about exactly what that means, how it will play out, and whether it will apply to quangos and related Government institutions, because the private sector is doing almost the opposite.

Lorely Burt (Solihull) (LD): We all commend the Government's approach, and the 10-day period should be passed on. Indeed, in my constituency we are trying to persuade the local authority to adopt the same approach, but does my hon. Friend agree that when the Government pay within 10 days, it is very often to larger suppliers that are not necessarily in the same financial difficulty as small suppliers at the bottom of the supply chain? Does she agree also that the Government should make their 10-day payment conditional on the same payment going down the supply chain—the same conditions, right the way through—to small suppliers, too?

Susan Kramer: I very much agree. There is a fundamental flaw in many Government contracts, because they are designed so that only the large entity can bid on them; they are not examined to try to find ways they might be bid on by relatively small businesses to stimulate new enterprise. In that context, several private companies—Tesco is the name that comes to mind—are going not from 30 days to 10 days but in the other direction, and, I understand, adding another 30 days to the payment period. Very powerful entities, such as the major supermarkets, need to feel some heat from the Government to join them in their approach.

Lorely Burt: Suppliers to another company, Boots plc, can actually wait more than 100 days before it is required by its own changed rules to pay up. My hon. Friend talked about regulators. Does she agree that we should ask the Government to task regulators to ensure that such big plcs fulfil their reporting requirements, because they are required to name in their annual accounts their terms of conditions? It is time, I believe—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I know that these are exchanges between colleagues, but I ought to say to the hon. Lady that they are very long interventions that are eating into her colleague's limited time.

Susan Kramer: Thank you very much, Mr. Deputy Speaker. I shall quickly draw my comments to a close. I want to make only a few more points.

John Hemming: Will my hon. Friend give way?

Susan Kramer: Of course.

John Hemming: I thank my hon. Friend for giving way as we move towards 6.30pm. Does she think that the Government should review the insolvency laws and examine the chapter 11 experience in America because of the difficulty that companies could face in a tight credit situation, whereby, owing to payment delays, they face legal action to be wound up? Perhaps chapter 11 is something that we in the UK might consider.

Susan Kramer: My hon. Friend makes a pertinent comment and an important recommendation. Having worked in the United States for 18 years, I am conscious that chapter 11 often allows companies to continue and to be restored to health. We have not followed that mechanism in the UK, and I find that surprising, so the situation under discussion is, as my hon. Friend says, a good opportunity to make that change.

Finally, I am particularly disturbed by the banks' dismissal of the Government's recommendations on the current bonus culture and of the public's outrage at its continuation. Members often feel that the reason why there is a problem with the bonus culture is that the sums of money are so utterly outrageous. At a time

when the Government are coming to the rescue, the numbers seem almost immoral, but there is a deeper problem with the bonus culture in our institutions.

The Government know that many bankers at a variety of grades are paid exactly the same salary and that most of their income is from bonuses, which have always been tied to short-term performance. The problem is that when somebody makes a sensible decision, recognises risk and refuses to take it, they lose out on bonuses and rewards, whereas the person at the desk next to them who takes that extraordinary risk gets the great bonus. When that persists year on year, we end up with a culture in which not only do we reward risk-taking but we penalise people who make the appropriate decision and identify and begin to recognise both risk and systemic risk. We must turn the whole picture upside down if we are to have a healthy banking economy.

6.29 pm

Mr. Jeremy Browne (Taunton) (LD): Thank you, Mr. Deputy Speaker, for calling me to conclude the debate. My hon. Friend the Member for Twickenham (Dr. Cable) kicked off the debate in a typically thoughtful and insightful way, and no doubt his speech was of interest to all who heard it. My hon. Friend the Member for Richmond Park (Susan Kramer) later made a similarly insightful and interesting contribution.

As my hon. Friends have dwelt in such depth and detail on a lot of the salient points at issue, I will concentrate slightly more on the political response to what in recent months has indeed been an unfolding economic crisis, as the title of the debate suggests. This debate is extremely timely because the economy is shrinking, unemployment is rising and tax revenue is falling. The backdrop to the debate is the issue of how that happened. Two arguments have been advanced by the two main parties. The Prime Minister's essential take on the current situation is that it is all the fault of sub-prime mortgages in America which have contaminated our domestic economy—an economy that in other circumstances would have been just fine. As has been reiterated by the hon. Member for Henley (John Howell) and others in this debate, the Conservatives' take is different: they say that the problems are the Prime Minister's fault as he grew a bubble of personal and public debt in Britain.

In a spirit of generosity, let me say that both sides are half right; they have identified the twin causes of a grave situation. As my hon. Friend the Member for Twickenham said, there have been international factors beyond our immediate control, but in many ways they have been made worse by how the Government have prepared the country for this situation.

Mr. Redwood: Will the hon. Gentleman tell us how much more tax somebody on £50,000 a year should be paying, according to Liberal Democrat theories?

Mr. Browne: The right hon. Gentleman can be assured that they would pay less. Let me get to the party political dimension, because I know how much he enjoys that aspect of things.

The Labour Government have not prepared us well for the current situation. As the right hon. Gentleman said earlier, the Government allowed private debt and house prices to soar to unsustainable levels, failed to make prudent assumptions when setting budgets for the public finances and were painfully slow to respond to rapidly changing economic circumstances earlier this year. As the Minister said, it is easy to make such observations in hindsight; it is much harder to make them in advance. That is why my hon. Friend the Member for Twickenham deserves such credit and admiration, because he did precisely that. The Minister spoke for half an hour, but at no point did she address the salient point made about her response in the House to the economic crisis earlier this year. She was completely dismissive and high-handed about the warnings that my party was offering, free of charge, to the Government. If they had listened at that point, they might have been better equipped to deal with the current situation than they have been so far.

I am afraid that the Conservative party has gone through a terribly difficult period; the past few months have been a painful humiliation and a case study in hubris for what was once a great party. It is hard not to wince when recalling the cluelessness, opportunism and inconsistency that has come from those on the Conservative Front Bench. Earlier, the shadow Chief Secretary to the Treasury, who is no longer in his place, made a partisan speech, but he was the one who got his party's uncertain start under way when he made his now infamous observations on borrowing. In one interview, the hon. Gentleman said both this:

> "Increasing borrowing is not a strategy for dealing with the recession",

and this:

> "To increase borrowing to deal with an economic downturn – that's a perfectly sensible thing to do."

That was not an auspicious start, but to be fair the hon. Gentleman is only doing the bidding of his political master, the hon. Member for Tatton (Mr. Osborne).

Unlike many of his own Back Benchers, I do not wish the shadow Chancellor any misfortune. I have followed the career of the Conservative child prodigy with a benevolent interest, and it gives me great sadness to say that at every single juncture of this economic crisis he has been found wanting. Let me illustrate the point. My hon. Friend the Member for Twickenham has led the debate on interest rate policy. We have already heard what the shadow Chancellor said in the House about interest rates in response to my hon. Friend the Member for Richmond Park less than a month ago:

> "I do not think that it is particularly sensible...for politicians speaking from the Front Bench to call on the Bank to cut or increase interest rates. Indeed, I make it a practice not to comment on them."—[*Official Report*, 14 October 2008; Vol. 480, c. 708.]

I am going to chronicle the terrible unravelling of the shadow Chancellor's credibility on the issue by referring throughout to that reliable journal, *The Daily Telegraph*. Initially, there was a false start, because just two weeks after the shadow Chancellor made his comment in the House, the headline that confronted me as I opened the newspaper was "Osborne admits his mistake". I thought that progress had been made, but soon found out that the headline referred to a completely separate catastrophic error of judgment by the hon. Gentleman. However, I had to wait only a further 24 hours for the *Telegraph* headline: "George Osborne: Slash interest rates to drag Britain out of economic nosedive". [*Interruption.*] The hon. Member for South-West Hertfordshire (Mr. Gauke) says that the shadow Chancellor did not say that. However,

[Mr. Jeremy Browne]

I took the trouble of reading the article, which contained quotations attributed to the shadow Chancellor—they may have been written by him or by one of the teenagers in his office. One of the quotations stated that

"there is plenty of scope to stimulate demand with lower rates".

That is what the shadow Chancellor said, having told the House that it was his practice not to comment on interest rate policy. He is struggling to keep up; he is a follower, not a leader.

Hon. Members do not need to take my word for that, as it is the judgment of the shadow Chancellor's own admirers. Only a week after the article that I mentioned appeared, on 7 November, there was a *Daily Telegraph* headline that will cause sadness on both sides of the House. It read, "Support for George Osborne collapses". I did not say that, and neither did Labour party Members—Conservative party supporters did. Anybody who thinks that last week's cut in interest rates was a dramatic percentage fall needs to see the shadow Chancellor's credibility rating. In one month, his approval rating has fallen from 70 per cent. to 2 per cent., which is a mark of how well the Conservative party has responded to the economic crisis. The article went on to describe the sheer horror of the hon. Gentleman's position. It said, "Only Caroline Spelman"—an extremely inauspicious start to any paragraph about a politician in trouble—

Mr. Deputy Speaker: Order. The hon. Gentleman is in danger of breaching the custom of the House to refer to right hon. and hon. Members not by name but by constituency, or so to paraphrase remarks so that actual names are not used.

Mr. Browne: I am grateful, Mr. Deputy Speaker, although I should say that I was quoting directly from *The Daily Telegraph*. I return to the quote: only the hon. Member for Meriden (Mrs. Spelman),

"the Conservative Party chairman who has been sidelined over allegations she paid for her children's nanny from parliamentary funds, has a worse rating than Mr Osborne"—

the hon. Member for Tatton, I should say. The clincher came when the article went on to say that

"the Shadow Scottish Secretary, who is barely known outside Westminster, is higher than Mr Osborne."

That confirms the wisdom of the immortal Mark Twain quotation:

"It is better to stay silent and look a fool, rather than speak and remove all doubt."

It has been a sad period for the Conservative party, which has rarely looked more foolish.

We have to remember that the Conservatives' flagship economic policy, which enabled them to look both ways and tell completely different audiences that they were on their side, was to share the proceeds of growth. It was launched against a backdrop of sunlit trees by a leader who told us, from the beneficial standpoint of lifelong security in terms of his own finances, that GWB—general well-being—was more important than GDP. How much the rhetoric of Conservative Front Benchers has changed since then.

David Taylor (North-West Leicestershire) (Lab/Co-op): I counsel caution when speaking in this Chamber. I once said that economics could not have been on the curriculum of the minor public school that the shadow Chancellor attended, and within minutes I had received a flurry of abusive e-mails. Will the hon. Gentleman have time to reach the worst quote of all from the shadow Chancellor—that the function of financial markets is for people to make loads of money out of the misery of others?

Mr. Browne: The hon. Gentleman sets me a very difficult challenge, which is to chronicle in 15 minutes absolutely every inappropriate remark made by the hon. Member for Tatton. I am concentrating on some of the particular lowlights. It is a depressing experience for all of us who want to see a young man do well in politics. He is very enthusiastic, and his reputation was extremely good, but we are now witnessing a very difficult period for him. However, that is how the Conservatives have positioned themselves. They wanted to share the proceeds of growth, seeming never to have considered that there may not be any growth to share the proceeds of. One can only infer that the logical conclusion is that they now want to cut spending and increase taxes, which would be the flipside of that—in other words, sharing the pain of negative growth.

The other policy that the Conservatives have been giving us a cast-iron promise to put in place is to match Labour's tax and spending commitments. We are now in an unhappy position whereby Labour's tax and spending commitments are not quite as impressive as the heir to Blair—the leader of the Conservative party—clearly originally thought that they were. Only yesterday, there was an unseemly clamour in the Sunday newspapers for Labour and the Conservatives to position themselves much closer to the commitments made by my hon. Friend the Member for Twickenham and the Liberal Democrats.

Steve Webb (Northavon) (LD): The suspense is too great for me to wait to see whether my hon. Friend is going to come to another example: when fuel prices were rocketing, the shadow Chancellor promised to cut fuel duty to keep things fair. Does he agree that the logic of the Tory position is that we should now be jacking up fuel duty to keep things fair?

Mr. Browne: That is another extremely well-informed intervention. What the Conservatives did—I suppose that it is only fair given the lack of experience on their Front Bench—was rush into panic mode when they thought that there would be an opportunity for a quick hit when prices for unleaded petrol were going up to 110p or 112p a litre. My party had a reasonably detailed conversation about the Conservative proposal, concluded that it was completely potty, and therefore decided not to support it. We were well advised in that, because now the Conservatives, keen to tell everybody their policies, will be putting out leaflets, inappropriately called "In Touch", in every constituency saying, "Vote Conservative—we'll put your petrol up by 5p a litre." *[Interruption.]* It is 5p this week, and it could get a lot worse. The Conservative proposition is, "Vote for the same taxes as under Labour apart from more on petrol." That is not a particularly impressive piece of positioning.

My message to Conservative Members who long instead for decisive and coherent leadership is this: "You do not have to remain trapped in the high-tax, wasteful spending box into which your shadow Chancellor has locked you. You can support this Liberal Democrat motion and show your constituents that you too believe in the values put forward by my party—effective public spending that offers real value for money, low interest rates to help struggling families and small businesses, and real tax cuts now for low and middle-income households, who need our help." Those are the right policies for Britain; they are Liberal Democrat policies, and they need to happen now.

6.44 pm

The Economic Secretary to the Treasury (Ian Pearson): Earlier this month, the International Monetary Fund reported:

> "The world economy is now entering a major downturn in the face of the most dangerous shock in mature financial markets since the 1930s".

The Bank of England's recent financial stability report concluded that in recent weeks the global banking system had undoubtedly undergone its biggest episode of instability since the start of world war one. Even the dogs in the street know that the origins of the current financial and economic turmoil lie in the problems of the US sub-prime market and a record surge in oil and food prices. It does not wash with the British people to suggest that the problems we are facing are wholly or mainly the result of domestic policies, and the official Opposition have no credibility in attempting to suggest that.

I am not pretending that there are no lessons to be learned—we have done so. That is why the Financial Services Authority is introducing its enhanced supervisory regime and why we have asked Lord Adair Turner, its relatively new chairman, to advise us on further reforms that might be necessary. However, the general public will find it difficult to take seriously the judgment of the official Opposition, who were against our actions on Northern Rock, who opposed the Banking (Special Provisions) Bill, and who would not have safeguarded Bradford & Bingley but who, in effect, would have let it go to the wall.

I think that British people have welcomed our decisive action in leading and co-ordinating the efforts of Governments across the world to support the global economy through these very difficult times. At home, we have taken unprecedented steps to shore up the UK's domestic financial system, providing £37 billion of public money to some of our high street banks so that they can improve their capital positions. Through the Bank of England, we have made available more than £200 billion of Treasury bills to provide liquidity to the banking sector, and we have introduced a £250 billion credit guarantee facility to restore confidence and breathe new life into inter-bank lending. This support is crucial, because banks lie at the heart of our economy. We will do whatever it takes, despite the fact that the official Opposition do not support us, to ensure financial stability—to ensure that small businesses have access to credit and that home owners are able to re-mortgage when they have to do so.

Mr. Redwood: When the regulator decided to increase the capital requirement for each bank in the system, did it calculate how much lending that would take out of the system and, if so, was it happy with that?

Ian Pearson: I will answer the right hon. Gentleman's question in a moment.

We recognise that it is tough out there, and getting tougher, for hard-working families and small businesses, so we are targeting support at those who need it most. We are supporting households that are facing higher food and fuel bills by raising the income tax personal allowance for 2008-09 by £600, which is worth £120 to the basic rate taxpayer. All basic rate taxpayers will have seen that in their take-home pay from September. We have delayed the fuel duty increase from April this year to April 2009, saving businesses and families nearly £100 million every month, as opposed to the Tories' bungled policy, which would mean that people would now be facing a fuel duty escalator. We are making additional payments to the over-60s and over-80s of £50 and £100 respectively alongside the winter fuel payment, to the benefit of some 9 million households. We have announced a £1 billion package of energy efficiency measures, which means that all households will be able to save at least 50 per cent. on a range of practical energy-saving devices, for which 11 million of the most vulnerable households will qualify free of charge. We are offering financial support through the winter fuel payment, the Warm Front scheme and the expanded carbon emissions reduction target.

Despite the global credit crunch, we need to ensure that the small firms that are vital to our economy have access to the loans and capital they need to let their businesses grow and develop. An announcement from the Chancellor at the end of last month means that Britain's small and medium-sized enterprises stand to benefit from up to £4 billion in loans from the European Investment Bank over the next four years. Based on the UK's shareholding in the EIB, British small businesses should be able to benefit substantially between 2008 and 2011. As a first step, UK banks have already signalled their interest in securing around £1 billion a year from the EIB.

Mr. David Gauke (South-West Hertfordshire) (Con): If the Government are on small businesses' side, can the Economic Secretary explain why they are increasing the rate of corporation tax on small businesses?

Ian Pearson: It is always the task of the official Opposition to raise points that deflect us from the key issue. We are acting to help small businesses and to promote inter-bank lending. There were issues, as the hon. Gentleman well knows, relating to the way in which individuals set themselves up in business because of relative tax positions. That was one of the reasons we took the action we did, and we have debated the matter on many occasions. Moreover, the availability and active marketing of competitively priced lending to small businesses and to home owners is part of the conditionality agreements under the recapitalisation scheme.

I shall deal with some of the key issues raised. I say to my right hon. Friend the Member for Bolton, West (Ruth Kelly) that we will continue to hold our nerve, and stay on the side of the British people during this difficult time. We in this country will work with others to help to reform the international financial system.

My right hon. Friend the Member for Airdrie and Shotts (John Reid) raised an important issue. He is right that guarantees on inter-bank lending are only a temporary

[Ian Pearson]

solution—they are specifically designed as such in response to the current crisis. He suggested that we ought to have an inter-bank market exchange, which would be a long-term solution to enable inter-bank lending in future. I would be happy to meet him and those advising him on these matters, along with my officials, because inter-bank lending is of fundamental importance—a point raised by a number of hon. Members.

John Reid: I thank my hon. Friend for that generous offer, which I will take up. I would like to make it absolutely plain that what I suggested was meant to supplement the measures taken by the Government. I congratulate the Government and I fully support everything they have done. Given the magnitude of the crisis, all of us in this House should be acting—as far as we can—to bring together our efforts to address it. I thank my hon. Friend for the spirit in which he accepted what I said, and I shall respond likewise.

Ian Pearson: I appreciate the constructive way in which my right hon. Friend set out his proposal.

The Government's policy on credit guarantees is an important part of the overall financial package announced on 8 September, and progress has been made. Overnight LIBOR was 6.8 per cent. on 16 September; today, it is 3.2 per cent. The three-month LIBOR rate has declined over the past 10 days from 6.3 per cent. to 4.4 per cent. Contingent liabilities taken on through the scheme will be reported to Parliament through the usual winter and summer estimates process.

John Hemming: On the reintroduction of 150 basis points in the minimum lending rate, LIBOR went down by only 120 points. Does that not demonstrate the failure of some aspects of the Government's policies?

Ian Pearson: I would like to think that the hon. Gentleman supported our action on credit guarantees and welcomed the Bank of England's cut in interest rates. Some of these things will take time to work through the system, but the credit guarantees, the measures taken through the special liquidity scheme and the bank recapitalisation comprise a sophisticated package that has been copied by other countries around the world. We believe that it will have a hugely positive impact. We will, of course, keep all the policies under review, as we always do with such matters.

A number of other points were raised, and I would like to address in particular the Liberal Democrats' tax proposal, which, as expressed by their leader on television this morning, was a sustainable cut of 4p, to make the rate 16p in the pound. I have not seen any real explanation of how the Liberal Democrats would pay for that. It would cost £19.2 billion per annum. If the Liberal Democrats propose to pay for the cuts by raising the higher rate of tax, it would have to go up to 52p in the pound. If they were to say, as they often like to, that the top earners on more than £100,000 should pay, a 26 per cent. increase in the top rate of tax would be required, taking it to 66 per cent. I am told by officials that that estimate does not take behavioural impacts into account. I am not sure how many high earners would remain in the country if they had to pay a 66 per cent. marginal rate of tax on income over £100,000. I am afraid that Liberal Democrat tax policies simply do not add up.

The Government cannot and should not try to prop up house prices, but we recognise that volatility in the housing market can be a cause of great concern. That is why we announced a significant package of measures on 2 September, and it is why we will continue to consider what more we can do.

On the contention that we did not fix the roof when the sun was shining, I remember the dog days of the Labour Government of 1974 to 1979. We were investing in fixing roofs even during those very difficult economic times. When we came to power in 1997, capital spending was less than half what we spent during that hugely difficult economic period. Since 1997, we have been able to more than triple in real terms capital spending in this country. We have not only fixed many roofs, but we have built new schools and hospitals, and improved the UK's transport infrastructure.

We must not let the official Opposition con the British public into thinking that we have not fixed the roof—we have, and we have taken decisive action. What is more, we were prudent and sensible in running the UK economy. Since 1997, inflation has averaged 3 per cent., compared with more than 8 per cent. in the previous three decades. Long-term interest rates have averaged about 5 per cent., compared with roughly double that previously. That is how the Government have managed to triple public investment while cutting debt. It was not always easy, and we have had to make tough choices—for example, the decision to spend the £23 billion that we secured from the spectrum auctions not on public services but on reducing Government debt. That has put us in a strong position as we face difficult economic times. The Government want to show in our pre-Budget report the further steps that we will take on the side of hard-working people and small businesses in this country.

Question put, That the original words stand part of the Question:—

The House proceeded to a Division.

Mr. Deputy Speaker: Order. I do not know where the delay is greater, but it is too great, given that there is another debate to follow. I therefore ask the Serjeant at Arms to investigate the delay in the No Lobby, and then, if necessary, that in the Aye Lobby.

The House having divided: Ayes 58, Noes 303.

Division No. 311] **[6.59 pm**

AYES

Alexander, Danny	George, Andrew
Baker, Norman	Gidley, Sandra
Beith, rh Sir Alan	Goldsworthy, Julia
Breed, Mr. Colin	Hancock, Mr. Mike
Brooke, Annette	Harris, Dr. Evan
Browne, Mr. Jeremy	Harvey, Nick
Bruce, rh Malcolm	Heath, Mr. David
Burstow, Mr. Paul	Horwood, Martin
Burt, Lorely	Howarth, David
Cable, Dr. Vincent	Hughes, Simon
Campbell, rh Sir Menzies	Huhne, Chris
Clegg, rh Mr. Nick	Hunter, Mark
Davey, Mr. Edward	Keetch, Mr. Paul
Davies, Mr. Dai	Kramer, Susan
Farron, Tim	Lamb, Norman
Featherstone, Lynne	Leech, Mr. John
Foster, Mr. Don	Moore, Mr. Michael

Mulholland, Greg
Öpik, Lembit
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Rogerson, Dan
Rowen, Paul
Sanders, Mr. Adrian
Shepherd, Mr. Richard
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Younger-Ross, Richard

Tellers for the Ayes:
Bob Russell and
John Hemming

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Chwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew

Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson Mr. Tom
Watts. Mr. Dave
Weir Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Helen Goodman and Ms Diana R. Johnson

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 289, Noes 216.

Division No. 312] **[7.16 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike

Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purnell, rh James
Raynsford, rh Mr. Nick
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Helen Goodman and Ms Diana R. Johnson

NOES

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Bottomley, Peter
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Öpik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles

Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Bob Russell and
John Hemming

Question accordingly agreed to.

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes that the Government's actions mean that the economy is entering a period of global downturn with unemployment, inflation and interest rates all much lower than in previous slowdowns, and with debt reduced from 43 per cent. of gross domestic product in 1997 to below 36 per cent. last year; welcomes the extra investment in public services and public servants that this has enabled to compensate for historical underinvestment both in infrastructure and services in every region; supports the Government's global leadership and action to tackle both the causes and effects of the financial and economic turmoil on an international level; welcomes the Government's timely support to protect financial stability and consequently depositors, business and the wider economy; further notes that as a condition of this support the Government has demanded support in turn for homeowners and small and medium size businesses; further notes the action that has been taken in the court system and through mortgage interest support to enable people to stay in their homes, and the provision of £360 million to help small and medium size businesses under the Train to Gain initiative; and further notes that Government action to support families, individuals and businesses across the UK through the tougher times ahead includes extra tax credits, cutting income tax, freezing fuel duty, further winter fuel payments and increases in Child Benefit.

Post Office Card Account

Mr. Deputy Speaker (Sir Alan Haselhurst): Mr. Speaker has selected the amendment in the name of the Prime Minister. In view of the compressed time available for the debate and the number of hon. Members who have indicated their wish to speak, I am reducing the time limit on Back-Bench speeches to 10 minutes with the aim of securing as wide a representation as possible.

7.29 pm

Jenny Willott (Cardiff, Central) (LD): I beg to move,

That this House notes with concern the fact that the Department for Work and Pensions has written to Post Office card account holders informing them that the Post Office card account contract ends in 2010; further notes that Post Office card account holders, many of whom have made a conscious decision to support the Post Office by retaining their card account, are being instructed to take out bank accounts in order to receive benefits beyond 2010; expresses its dismay at the fact that the letter does not mention the fact that a replacement for the current card account is currently out to tender, or make any mention of other Post Office products or services; believes that this is a deliberate attempt to encourage people to switch payment to direct debit and remove the role of the Post Office; further notes the additional damage inflicted on the Post Office by the Driver and Vehicle Licensing Agency, which is currently sending out licence renewal reminders as part of a communications campaign which makes no mention of the Post Office; calls on Ministers in the Department for Business, Enterprise and Regulatory Reform to encourage Ministers in the Department for Work and Pensions to consider the impact on communities across the country if the Post Office card account is not renewed; and encourages all Government departments to make their services available through post offices in order to ensure that they have a viable future.

The motion highlights the inconsistency between what the Government have said and what they are doing. One example of that is the fact that the Government amendment describes the title of the motion as "Removal of the Post Office Card Account". In fact, it is entitled "Renewal of the Post Office Card Account".

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Lady, but that is nothing to do with the Government. I am afraid it is a misprint that arose in the preparation of the Order Paper.

Jenny Willott: Thank you, Mr. Deputy Speaker. It could have been a Freudian slip, but clearly it was not one of the Government's.

Peter Luff (Mid-Worcestershire) (Con): It may amuse the hon. Lady to know that a recent response on the future of the post office network from the Department for Business, Enterprise and Regulatory Reform to the BERR Committee—of which I am a member—was headed "The Failure of the Post Office Network". The hon. Lady is not the only Member to encounter Freudian slips.

Jenny Willott: There are clearly a number of ways in which the debate could be classified. However, there are also a number of inconsistencies between the Government's actions and their words. They said that they would sign new contracts for the replacement of the Post Office card account at the beginning of 2008, but it is now November, and we still do not even know who has won the tender. They said that the managed closure programme

would ensure a viable future for the post office network, but Ministers have campaigned against post office closures in their constituencies while voting in favour of closures elsewhere. They said that they believed in the future of Royal Mail Group, while doing all that they could to run down the business. That business made a profit of £577 million in 1997, but, after a decade of what the Government describe as unprecedented economic growth, Royal Mail Group's profit was just £86 million in 2007-08.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Many Labour Members are very concerned about the future of the Post Office card account, but I shall not be voting for the Liberal Democrat motion. At the time of the local elections in Newcastle-under-Lyme, the Liberal Democrats implied that they could save every post office, irrespective of whether it was uneconomic, whether the postmistress wanted to retire and whether anyone wanted to run it.

May I ask the hon. Lady a question about consistency? Will she confirm that at a Liberal Democrat party conference not too long ago, her party voted in favour of separating Royal Mail delivery from the network, privatising it, and then subsidising the network whatever the cost of doing so?

Jenny Willott: If the hon. Gentleman reads the motion he will see that it raises specific complaints, and echoes the wording of an early-day motion signed by a number of members of all parties. There is clearly support for the motion across the House.

Bob Spink (Castle Point) (UKIP): Has the hon. Lady an estimate of the number of additional post office closures that may result if the Government remove the Post Office card account?

Jenny Willott: That is a very good question, to which I shall return later.

The reason why post offices and Royal Mail Group have suffered such hits on their profits is that the Government are removing a wide range of services from the Post Office, while also trying to scare away the loyal custom that the Post Office already enjoys. In 2006, they announced that people could no longer pay for their television licences at post offices. In the same year, they told people who received their benefits and pensions through the Post Office card account that it was being withdrawn, and that they would have to open bank accounts to continue to receive their benefits. In 2008, the DVLA sent out reminder notices asking people to pay by direct debit, making no mention of the possibility of paying via the Post Office. Step by step, the Government are taking business away from the Post Office.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): This is a track record that dates from the start of the Post Office card account. People had to fight to open a Post Office card account: the Department for Work and Pensions put every possible barrier in their way, including a call centre that they had to telephone where attempts would be made to talk them out of it. People had made a conscious decision to use the Post Office because they wanted a nice simple way of getting their money. The Government tried to put all possible hurdles in their way, but millions of them chose the Post Office despite that, and they should be allowed to do so again.

Jenny Willott: Opening an account was certainly a difficult option, and the positive response to the Post Office card account shows how important it is to a wide range of people.

Lembit Öpik (Montgomeryshire) (LD): Is this not a particular issue in rural areas? The post office really is the only service available to my constituents. The attempt to close post offices such as Abermule constitutes the wholesale removal of not just the Post Office card account but services which, although taken for granted in towns, are simply not available to rural residents who have nowhere to go except their local post offices.

Jenny Willott: The hon. Gentleman is right. The issue that he has raised has been raised by other Members on both sides of the House, and I shall return to it later, because it is important.

Mr. Philip Dunne (Ludlow) (Con): The hon. Lady is being very generous with her time. Does she agree that if the Government made the woeful decision not to grant the new contract to the Post Office, that would be yet another nail in the coffin of the existing post office network? Would not the logical financial reaction of individual householders be not to use a replacement service, but to use cards from other banks in the Post Office—banks such as Alliance and Leicester, Bank of Ireland, Barclays, Cahoot, Clydesdale, Co-op, Nationwide, Lloyds TSB and Smile, some of which will in fact be owned by the Government?

Jenny Willott: The range of services available at post offices is obviously relevant. It is clearly beneficial for people to be able to take advantage of other services at the post office. Nevertheless, it should be borne in mind that people want Post Office card accounts as well.

Mr. Mike Weir (Angus) (SNP): The hon. Lady has mentioned difficulties in rural arrears. She will know that one of the companies bidding for the account is PayPoint, which took over the television licence. That has caused huge problems to people in rural areas who wish to renew their licences.

Jenny Willott: That is true.

Nearly all my speech is being made by other Members, so I shall make some progress now. I shall allow further interventions later.

Malcolm Bruce (Gordon) (LD): Will my hon. Friend give way?

Jenny Willott: I will give way once more.

Malcolm Bruce: First, PayPoint may have more outlets, but they are not as well distributed as those of the Post Office. Secondly, the Royal Bank of Scotland and the Bank of Scotland, which are about to become Government-owned, do not allow people to use cash at post offices. If we lose this service in Scotland, it will be a huge disadvantage to most people living in virtually every rural area in the country.

Jenny Willott: The main problems clearly lie in rural constituencies and communities, although there are also difficulties in deprived urban areas where no choice between financial services is available.

As others have pointed out, when the Post Office card account was established in 2003, despite the difficulties that people encountered in opening accounts, the initial contract was set to run until 2010. However, it was clear to all involved that it was expected to continue well beyond that time. By January 2006, not even halfway through the contract period, the Government had already decided to take the business away from the Post Office. Despite the early stage at which the decision had been made, this further step has been delayed and delayed.

Rob Marris (Wolverhampton, South-West) (Lab): What is the evidence?

Jenny Willott: The evidence is in a debate that took place in the House of Lords. There is plenty of evidence to show when the Government decided that the Post Office card account should be removed.

The Government cannot get their act together, and apparently cannot make up their mind about the future of the Post Office card account. Others are doubtful about whether the Government really cannot make up their mind, or have already made the decision and are waiting for an opportune political moment at which to make an announcement.

Mr. Frank Field (Birkenhead) (Lab): Does the hon. Lady not think it somewhat ironic that the Government's only IT success in the past 10 years has been the Post Office card? Is not the fact that we are debating the possible scrapping of the card in its present form slightly surprising?

I hope the hon. Lady accepts that if some of us do not join her in the Lobby tonight, it is not because we are not full of apprehension about the Government's stance. There may, unfortunately, be another occasion on which we shall have to use our votes.

Jenny Willott: I certainly agree with the right hon. Gentleman's first point. As for his second point, I hope that those who support the motion will consider voting with us later to make that clear.

As for the earlier point of the hon. Member for Castle Point (Bob Spink), there are estimates of at least 3,000 branch closures if the Post Office card account is taken away from the Post Office, although some suggest it could be worse, with 6,000 post office branch closures, which is more than half the current network.

Mr. David Heath (Somerton and Frome) (LD): I hope Members do not decide that they cannot vote with us tonight, because they will not have another opportunity to express their support for their post offices. My constituency has already lost nine sub-post offices through the last tranche of closures, and sub-postmasters were ringing me throughout the past weekend saying how worried they were that the Government, having dithered for so long, are now coming to a conclusion that will take the contract away from the Post Office, and that that will have a disastrous effect on their businesses.

Jenny Willott: It is, indeed, the case that the removal of POCA from the Post Office would lead to a chaotic and messy series of closures, and it would also entail a string of personal tragedies, as my hon. Friend highlighted, because the closures would be the result of sub-postmasters facing bankruptcy. They would not be planned. I do not believe that we should be prepared to consider the prospect of sub-postmasters facing bankruptcy as a result of Government decisions. At a time of economic uncertainty, with increasing unemployment and increasing numbers of people needing to access benefits over the next few years, it is extraordinary that the Government would seek to pursue a policy that would actively destroy the livelihoods of at least 3,000 people. Those closures could be far worse for the long-term future of the post office network as a whole, because a chaotic series of closures across the network could leave serious gaps in provision, which would mean post offices would lose critical mass, and that would undermine the Post Office's ability successfully to bid for future contracts, so this could be the first stage in a very dramatic decline in numbers.

Rob Marris: I served on the Work and Pensions Committee in the last Parliament, and six years ago paying benefits by giro was costing the Government £450 million a year. By how much would the Liberal Democrats subsidise the Post Office each year, given that the party leader's position is to cut overall Government spending by 3 per cent.—not to increase it, but to cut it?

Jenny Willott: First, that is not factually accurate, and secondly, I shall return to that point later.

On average, POCA payments bring in about 10 per cent. of the net income of sub-postmasters.

Rob Marris: Will the hon. Lady give way on that?

Jenny Willott: No, I will not give way any more at present. However, POCA is worth significantly more than that in some deprived urban areas. On average, POCA payments bring in about £400 a month, which is 12 per cent. of net pay. That contrasts sharply with the proportion of income post offices receive from bill payment—only 5 per cent.—and from banking transactions, which is currently 1 per cent. It is therefore clear that removing POCA would leave a huge gap in the budgets of sub-postmasters.

This is not just about the income from the transactions themselves, because POCA brings people into the post office, and at that point they also spend money on other goods and services there. Each of the 3.8 million POCA customers pays on average seven visits per month to the post office, and in each visit they spend on average £6 on the retail side. Therefore, the loss of business that would follow from the removal of POCA could lose the Post Office much of its annual £2 billion retail income.

Tim Farron (Westmorland and Lonsdale) (LD): My hon. Friend may be aware that in my constituency many of the more popular Lake district towns has a post office. One of them, which I will not name for commercial reasons, has 8,000 people going through it every year because of POCA. Its postmaster reckons he will lose 7,000 of those customers every year, and that could lead to the closure of one of the most popular post offices in

the Lake district. Will not losing POCA simply lead to otherwise viable post offices closing down?

Jenny Willott: My hon. Friend is right, and that shows how worrying this situation is.

Albert Owen (Ynys Môn) (Lab): The hon. Lady mentioned other transactions. Does she agree that extra business can be generated by local authorities encouraging council tax payers to pay their bills in a local post office, and is she aware that in my constituency, where the Liberal Democrats are part of the council coalition, it is the policy of that council to discourage people from doing so and to encourage them to pay by direct debit because it is easier and more convenient? Is that not an example of the Liberal Democrats saying one thing when in opposition and another when they get into government?

Jenny Willott: I find it ironic that the hon. Gentleman is criticising a policy that his own Government pursue. It is, indeed, the case that we should encourage local authorities to support the residents in their local areas to access post offices, and that they should broaden the range of services that are available.

Richard Younger-Ross (Teignbridge) (LD): The hon. Member for Ynys Môn (Albert Owen) talks about people saying one thing and doing another, but Members should remember that a year ago Ministers said from the Dispatch Box that there would be no more closures. There could, however, be another 3,000 closures, so how hollow are those words Ministers uttered from that Dispatch Box, and how can we trust anything they say today?

Jenny Willott: If some of the estimates of the number of post offices that could close as a result of POCA being taken away prove to be true, that could be devastating to the post office network, so the Post Office is in a very worrying situation. It is also clear, however, that, as has been made clear from some of this evening's interventions, Labour party Members are fighting among themselves.

Mr. Jim Devine (Livingston) (Lab): Will the hon. Lady give way?

Jenny Willott: Not at present. Card accounts are the responsibility of the Department for Work and Pensions, whereas post offices are the responsibility of the Department for Business, Enterprise and Regulatory Reform. This POCA episode has been a prime example of how far from the ideal of joined-up government we sometimes stray. DBERR is committed to forcing the Post Office to make a profit, but how can that be possible without the footfall that POCA brings?

Mr. Devine: Will the hon. Lady give way?

Jenny Willott: Not now. However, the DWP wants to save money, moving all benefit recipients into basic bank accounts no matter what the consequences. It has shown that it will use any means necessary to ensure that vulnerable people are left with the impression that after 2010 they will have no option other than a bank account. My concern is that the DWP is not considering how best to service the needs of its customers. It has to decide whether benefits should be administered in a way that helps the vulnerable customers it is supposed to be supporting or just administered in the easiest way possible for the DWP.

The loss of POCA could have a huge impact on some of the most vulnerable in society. More than a third of all pension credit payments and more than one in four income support payments are paid into POCAs. In total, 23 per cent. of all benefit claims are paid through POCA.

Although the pain will be felt across the whole of the UK, several Members have already highlighted the fact that rural areas will be particularly badly hit. Although 60 per cent. of rural areas have a post office, fewer than 4 per cent. have banks, so this will clearly have a disproportionate effect on those areas. In many villages, the post office is crucial to the survival of other businesses in the village. Pensioners and benefit recipients collect their cash in the post office and spend it in both the post office and other village shops.

Mark Williams (Ceredigion) (LD): Will my hon. Friend give way?

Jenny Willott: Not for the moment. If such people have to travel for miles into a nearby town to access their cash, they are more likely to spend their cash in that town rather than supporting businesses in the area where they live, so this could have much wider implications.

Paddy Tipping (Sherwood) (Lab): The hon. Lady is rightly making a strong case for a planned and sustainable post office network, but will she tell us this: does she oppose all post office closures? If she does, what resources will she make available to sustain the post office network into the future?

Jenny Willott: The issue we are discussing today is how the Post Office can make itself viable, and one of the main issues is the fact that the Government are removing provision and services from the Post Office. If POCA remains, it will enable more money to pass through the Post Office without the need for extra subsidy.

Mr. Devine: I am grateful to the hon. Lady for giving way; she is being very generous with her time. She is making an excellent speech, but she is not dealing with the motion, which clearly states that it wants to

"encourage Ministers in the Department for Work and Pensions to consider the impact on communities across the country if the Post Office card account is not renewed; and encourages all Government departments to make their services available through post offices in order to ensure that they have a viable future."

Is the hon. Lady in favour of ignoring the tendering process: yes or no?

Jenny Willott: I have made the position clear and addressed all the issues that the hon. Gentleman has just raised. I have talked about the provision of services through the Post Office and about the impact on customers—a point to which I shall return.

Mr. Alan Reid (Argyll and Bute) (LD): Will my hon. Friend give way?

Jenny Willott: I am not going to give way immediately.

A further issue concerns those who cannot open bank accounts and involves another group of people we should be considering today. Basic bank accounts do not make any money for banks, and it is becoming increasingly difficult for some people—those with poor credit histories, large debts, previous debt problems or no address, and people with certain mental health problems—to open one. In the current climate, banks do not want to take on additional risk, and the number of people in that group is actually increasing. Therefore, when the Government moved giros to direct payment and made people open basic bank accounts or Post Office card accounts, 40 per cent. of the people converting opened the latter—a figure far higher than expected. They could have chosen to open a bank account, but they did not want to or were not able to.

Mr. Henry Bellingham (North-West Norfolk) (Con): The hon. Lady is explaining the case very clearly. Does she agree that at a time of banking crisis, when many of our constituents are very wary of trusting banks, the one thing that they can trust is the Post Office card account and National Savings? Surely it is perverse that the one very safe area is now under threat.

Jenny Willott: The hon. Gentleman is absolutely correct, and the issue of trust is an important one. There are lots of reasons why people would choose to have a Post Office card account rather than a bank account, and one is that the post office is often an important community resource. It is a source of advice and information and a place where people meet and socialise, particularly in rural areas. Sub-postmasters play a very important role in many communities. They usually know their customers and they are trusted, as the hon. Gentleman said. I recently spoke to a pensioner in my constituency who relies completely on the postmaster in the post office where she collects her pension. She cannot remember her PIN. He knows it, and he tells her what it is every week—it is the only way that she can access her pension. Clearly, that gives rise to security issues, but it shows just how much postmasters are trusted by members of the community.

Mr. Oliver Letwin (West Dorset) (Con): I very much agree with what the hon. Lady has been saying. Does she agree with me that the problem really is that the Government have prevented themselves from taking account in the tender process of any of the long list of things that she is rightly adducing as reasons for keeping this account with the Post Office?

Jenny Willott: The terms of the tender is an important issue and I will deal with it later. The right hon. Gentleman is right to raise those concerns.

Ms Katy Clark (North Ayrshire and Arran) (Lab): Will the hon. Lady give way?

Jenny Willott: I am not going to give way any more at the moment, because I need to make progress. A number of Members want to speak tonight.

The physical accessibility of post offices is another reason why people choose to go to a post office, rather than a bank. Even after the latest round of closures, the Post Office, uniquely, has branches in most rural and in most urban areas, so it has a much wider spread than most other providers. Those using the Post Office card account as their main source of cash are particularly likely to have mobility or health problems and no access to a car, and they are more likely to rely on public transport. It is particularly difficult for that group of people to access a bank or another outlet, particularly in rural areas, where usually there are no banks or ATMs. Help the Aged has produced research highlighting particular concerns among those in this position. They are worried that if they have to travel a long way by public transport to get hold of their money, they will have to take out larger amounts each time they travel, which will lead to security concerns while they bring the money back home on public transport. They are also concerned about having more cash at home.

Access is a question not just of distance but of access to the outlet itself. Most post offices have been physically adapted to allow disabled access. For people in the customer group we are talking about today—it includes incapacity benefit, disability living allowance and pension credit claimants—the compliance of such properties with the Disability Discrimination Act 1995 is absolutely essential so that they can access their money. The Post Office has taken this issue seriously, but what guarantees do we have that any new outlets that people are forced to use would do the same? Have the Government done a DDA impact assessment on the closing of the Post Office card account and taking it away from post offices? Have they looked at people's access to outlets and within outlets? If, as the rumours suggest, PayPoint takes over, what consideration has been given to the accessibility of PayPoint outlets? What control would the Government have over that, given that PayPoint operates on a franchise basis? How much control would the Government have, in order to ensure that people could access their money in disability-friendly properties?

Several Members have this evening mentioned that the Government's indecision has already proved extremely damaging to the Post Office, but the decision to give the card account replacement contract to a different operator could be deadly. The Post Office is working toward an unsubsidised post office network by 2016, but that relies on people going through their branches and using banking and benefit services, and on the Post Office card account as a transition. If the Government continue on the destructive path that they are pursuing, the Post Office will not have enough time to recover from the damage caused by the withdrawal of Government business from the Post Office over the past five years and to rebuild itself. We have the perfect opportunity to use an existing network of well-trained, well-informed, trusted staff who are in offices in almost every corner of the country to deliver meaningful improvements in terms of financial inclusion. Post offices actually want and need the custom of the people the banks are turning down, so we should be building on that, rather than destroying it.

The Post Office needs the replacement card account contract as a bridge to enable it to move to a financially viable position. In countries such as Italy and Ireland, there are examples of successful and thriving post office networks that operate as a "postbank". There is no reason why we cannot have a thriving and successful post office network in the UK, but by pulling the rug

out from underneath the Post Office's feet at this point, the Government are almost guaranteeing that there will be no future for it.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I am very grateful to the hon. Lady for giving way, and she is making a very good case. I was hoping that she would spend a little more time talking about the impact on rural areas. If this card account is not secured, post offices in rural areas and in villages such as Minsterly, in my constituency, will definitely close and the impact on rural communities will be far worse than on urban ones.

Jenny Willott: The hon. Gentleman is absolutely correct and I hope that I have already made that point, but I am sure that there will be opportunities for others to raise it in this debate.

Ms Katy Clark: The hon. Lady is making a very strong case about how deadly it would be for the Post Office if it lost the card account. Does she therefore agree that there were overriding public policy reasons why the European competition regulations should have been set aside on this occasion, and the tendering process should not have proceeded?

Jenny Willott: The tendering process certainly gives rise to issues that I want to raise myself, and the hon. Lady makes an interesting point. So far as I can see, the tendering process is probably one of the least open such processes that we have had. I, among others, have been trying to get hold of the terms of the tender. I recently asked for a copy of the documentation setting out the criteria used for the basis of making a decision on the contract to be placed in the Library. The Minister replied as follows:

"The tender process for the contract for the Post Office card account successor is still under way and a decision on the outcome is yet to be made."—[*Official Report*, 3 November 2008; Vol. 482, c. 9W.]

That may well be true—although some people believe that the decision has been made already. However, true or not, it does not answer my question. I asked for the documentation to be placed in the Library. All Members are aware that the decision is being looked at, but the documentation could still be made public. The Government's evasiveness on this point raises questions about the criteria that they have laid out in the contract tender, such as how much emphasis they placed on the need for geographical spread, which links to the issue of rural communities.

Mr. Alan Reid: My hon. Friend is right to talk about geographic spread. She mentioned earlier that PayPoint is one of the bidders. The island of Colonsay has a post office, and if people put the postcode into the PayPoint website, they are told that the nearest outlet is at Bowmore, on the island of Islay, which is 22 miles away. Rural areas will be badly hit; however, islands that have post offices but no banks or PayPoint outlets will be much harder hit if the Government do not take into account the fact that, for all these small islands, they must keep the account with the Post Office.

Jenny Willott: My hon. Friend gives another example of why we need to ensure that we know what the terms of the tender agreement are. The evasiveness that the Government are displaying in this regard is also increasing concern and suspicion among the Post Office's customers and sub-postmasters, who are fearful of the future.

A number of questions have been asked about the legality of providing continuing state aid if the Post Office is not delivering social benefits. The processing of social benefits is one of the criteria on which applications for state aid approval are measured. If POCA 2 is delivered by somebody other than the Post Office, will the Government's £150 million a year social network payment become illegal? If so, it would be even more devastating for the Post Office across the UK.

The Government have said one thing about the Post Office and the POCA replacement, but their actions contradict it. While DBERR says that it is trying to reorganise the network so that it is financially viable, the DWP is doing all it can to undermine a valuable piece of business that the Post Office has. The Government need to start being joined up and to stop undermining themselves. I suggest that POCA should stay in the Post Office, that the Government should make wider services available through Post Office branches and that they should put an end to the uncertainty as soon as possible to stop the rot and ensure that post offices have a viable future.

8.1 pm

The Secretary of State for Work and Pensions (James Purnell): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"notes the importance of the services offered by the Post Office to local communities; further notes that the Government has worked with the Post Office to make available services such as its own banking and financial services and access to high street banks' basic accounts; further notes that the Post Office is now the largest provider of foreign exchange in the UK and amongst the largest suppliers of travel insurance, car insurance and telephone services; further notes the potential for future ID management business for the Post Office for passports, driving licences and ID cards; welcomes the commitment of the Government to provide £1.7 billion of support up to 2011 to maintain a national post office network and access to Post Office products, in contrast to no subsidy before 1997; further notes the importance of the Post Office card account in helping people to access basic banking services; welcomes the decision to offer this type of product beyond 2010; further notes that this product is currently out to tender; and believes that people should be aware of the Post Office card account product alongside other methods of payment.".

The whole House knows how much a Liberal Democrat MP loves a "Focus" leaflet, and we have a great testament to that here this evening. I was worried at one stage that the hon. Member for Cardiff, Central (Jenny Willott) was never going to finish her speech, because she was being intervened on by so many of her colleagues—it was extraordinary. I have heard of people being mauled by a dead sheep; I was worried that she was about to be mauled by her own very supportive sheep halfway through that contribution.

We heard the typical response from the Lib Dems: the prewriting of that "Focus" leaflet, but with no proposals. We heard nothing on whether they thought that there should have been a tender, on whether they would subsidise it more or on what they thought about whether the Post Office and its future should be guaranteed, and how that should be done. In terms of policy enlightenment, we learnt very little.

Several hon. Members *rose—*

James Purnell: If I may first set out my case, I shall then give way.

Let me start by making one central point clear: nobody in this House believes that the Post Office should be run on a purely commercial basis. If we believed that it should be, the network would consist of 4,000 post offices, rather than at least 12,000, even after the current closure programme, as has been mentioned. That figure is higher than the total of all the high street banks put together. We do not believe in a purely commercial network, because the Post Office is not a purely commercial service; it reaches parts of our community that others do not, it is used and understood by people in ways that others are not, and most of all it is a cornerstone of our local communities. George Thomson, the general secretary of the National Federation of SubPostmasters has said that for many of the elderly and disadvantaged people in our society

"the visit to the Post Office is...the highlight of their week, as they interact with the Subpostmaster, his staff and other customers."

Peter Luff *rose—*

James Purnell: I can see the hon. Gentleman, who chairs the Select Committee on Business and Enterprise, twitching to intervene on me.

Peter Luff: The Secretary of State has puzzled me. I am happy to stand corrected on this, but my understanding is that, historically, the post office network has run on a commercial basis and that the aspiration of its current management is that it should once again do so. An interim period has to be got through, but the noble aspiration is for post offices to stand on their own two feet, and I heartily support it.

James Purnell: I said on a purely commercial basis. Indeed, under the hon. Gentleman's Government there was no subsidy for the Post Office, whereas our Government have spent £2 billion, and we are planning to spend a further £1.7 billion between now and 2011. There is a significant difference between the way in which we have supported the Post Office and the way in which his Government did.

Mr. Lindsay Hoyle (Chorley) (Lab): Will my right hon. Friend look again at the situation that we have got ourselves into? People who are using the Post Office card account were told that it would finish in 2010, but they were not told that there would be a POCA 2. Will he put right that wrong and ensure that not only will customers be told that POCA is being replaced, but that we will encourage people to use POCA, rather than give the discouragement that we have seen previously?

James Purnell: I am happy to give my hon. Friend that assurance. Indeed, the hon. Member for Mid-Worcestershire (Peter Luff) wrote to me recently complaining about the POCA not being featured in our cheque conversion literature, and I am glad to tell him that we have now addressed that and that we have a new leaflet. The leaflet does exactly what my hon. Friend requests, stating that

"you might want to consider opening an account".

It also states:

"The Post Office card account is also an option for those who want a very basic banking product."

It makes clear in a list of accounts that that is one of the things that will be included. I am also happy to say to my hon. Friend that we will review our marketing of the POCA to ensure that exactly what he set out is achieved. We have not written to people asking them for their bank account details if they have a POCA; there has been a process in respect of cheques, but I shall return to that later.

Mr. Hoyle: I welcome that reply, but to back it up, will the Secretary of State look at what services can be brought into post offices for their longer-term viability and sustainability? Will he also look to set up a taskforce to ensure that we can find new services, beyond POCA 2, to ensure that the Post Office remains in its entirety and to secure its long-term viability?

James Purnell: Yes, I am happy to make that commitment to my hon. Friend; the process that he describes would be a helpful one. We cannot guarantee that any particular service will go to the Post Office if it required procurement, but we can say that identity cards and identity services could be a good business opportunity for the Post Office. By contrast, we know that under both the Conservatives and the Liberal Democrats the Post Office would have no ability to secure such services.

Susan Kramer (Richmond Park) (LD): Do I correctly understand what the Secretary of State just said as a Government commitment to make up in subsidy any business loss that would come from shifting POCA to another provider? If not, the comments that he is making are simply empty, because they merely presage other post office closures.

James Purnell: I have no idea to which of my remarks the hon. Lady is referring. I am happy to be intervened on again, but I said nothing to imply what she describes. Indeed, I make it very clear that it would not be appropriate for me to make any comment on the procurement process and where it has reached.

As much as the Opposition would like to pretend that we can ignore the way in which the world is changing, we cannot do so. The way in which the Post Office operates and the market in which it does so are different from what happened 10 or 15 years ago; they are even different from the situation two years ago. Some 4 million fewer visits a week are made to a post office and 1 million car tax disc renewals are done online each month. *[Interruption.]* The Opposition can protest if they want, but these changes are happening in our society. People want to renew their tax disc outside working hours and to do so online. Are the Opposition seriously saying that we should refuse to offer online services? If that is their position, they are even more antediluvian than the hon. Member for Castle Point (Bob Spink).

Bob Spink: I am so surprised that the Secretary of State does not appear to be listening to the noises coming from his own Back Benches on this important subject. Does he not realise that there are fewer footfalls in post offices because the Government have been removing

public business from the Post Office for many years? When will he adopt a policy to return public business to the post offices?

James Purnell: I do not know whether the hon. Gentleman has heard of the internet, but it is having quite a big impact on retail outlets. For example, he might be aware that Tesco sells some of its products over the internet these days. The Post Office cannot be immune to these services. The question is: how do we maintain the fundamental objectives that we have for this important service, while realising that the world in which post offices operate is changing? How can we help them to modernise, as opposed to putting our head in the sand and pretending that those changes are not happening?

Steve Webb (Northavon) (LD) *rose—*

James Purnell: I need to make some progress, because many hon. Members wish to speak. The hon. Gentleman can intervene on me later.

We need to recognise that we are operating in a world where people are getting services online and in other ways, but it is also important that we do not forget that that does not apply to everyone; a large minority—one in three people—still do not have online services at home and 2 million people do not have bank accounts. As the hon. Member for Cardiff, Central said accurately, they are often the most disadvantaged and vulnerable in our society. That is exactly why we have decided to renew the Post Office card account—although at one stage she implied that we were not doing that.

Steve Webb: The Secretary of State repeats the tired old excuse that society is changing because of the internet and all that, and so such things were happening anyway. However, they were happening slowly. The Government have hastened the process and given the post offices less time to adjust to the new world that we accept we are moving into. Why have the Government made it more difficult for the post office by speeding up the process of change and pressing people to move over to banking instead?

James Purnell: We are actually doing exactly the opposite. We have put in place access criteria to preserve that spread. The Committee chaired by the hon. Member for Mid-Worcestershire recommended that change. It said that the access criteria

"were a welcome step in safeguarding access to services for groups across the United Kingdom."

Peter Luff: If the criteria are so good—I believe that they probably are—why were they not part of the bid for this contract?

James Purnell: They are reflected in the minimum criteria in the contract. The exact tender document is commercial in confidence, but we have made available the *Official Journal of the European Union* advert and it has been put in the Library.

I know that Liberal Democrats find this hard to understand, but we have to modernise the service and get more services into the Post Office. We have invested in IT, for example, which has allowed the Post Office to have a very successful IT project, as my right hon. Friend the Member for Birkenhead (Mr. Field) said. We put £500 million into that project precisely so that the Post Office could deliver bank accounts, offer foreign currency services, expand the service that it provides and increase footfall. That strategy has had a significant effect—

Steve Webb: Yes, it has.

James Purnell: The hon. Gentleman might be interested in the facts. The Post Office is now the fifth largest fixed line telephone service provider in the UK. It sells one in 50 of all car insurance policies and insures one in every 200 homes. It is the largest provider of foreign currency in the country. That is all because of the investment that we have put into the Post Office. As a result of those changes, 60 per cent. of bank accounts can be accessed in post offices, including those in both the Scottish banks mentioned by the right hon. Member for Gordon (Malcolm Bruce), who has now left his seat.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): May I ask the Secretary of State a specific question about the bidding process? If PayPoint—a private company—was successful, it would not be covered by the provisions of the Welsh Language Act 1993, so would there be no Welsh language provision for those who require it?

James Purnell: The hon. Gentleman can ask, but I shall frustrate him and the House, because there is nothing I can properly say about the tender process. It is important that we take that decision with due process and we will make our announcement in due course.

Kate Hoey (Vauxhall) (Lab): My right hon. Friend talks about the tendering process. Will he tell the House clearly why we had to put this account out to competitive tender? Does he not accept that there are other countries in the European Union where that has not happened? Those examples might not be direct comparisons to do with the same type of contract, but they have occurred in other areas to do with public service where there is a social motive. Why do we always have to obey every little dot of the European Union and European Community competitive actions when other countries get away with it? We are left with a situation in which the Post Office might end up without the Post Office card account.

James Purnell: I know that my hon. Friend shares with the Opposition a lack of keenness to obey the European Union. There is a tradition of not commenting on legal advice given to the Government, and it is important that we maintain that. The Republic of Ireland is an example of a country that did not go out to tender and was taken to court by the European Commission. The case was not proven in the end, but it is not true that that example was not affected by European regulation. The important point is that we have to complete the process and to do so in good order.

Paddy Tipping: My right hon. Friend has used the phrase "due process" on a number of occasions. Will he take it from me, from those of us on the Government Benches, from the Post Office and from its customers

[Paddy Tipping]

that the sooner he comes to a decision and announces it, the more it will be in his interest and that of everyone else?

James Purnell: I know that this is a difficult thing to say, but due process is important. It is important that we take decisions legally, and I am sure that everyone in the House would agree with that. On the subject of the timing, I can reassure Members that we will take the decision very soon—*[Interruption.]* The House will find out exactly when that is when we make the decision.

Sir Robert Smith: It is not so much that the House needs to find out. All the sub-postmasters and sub-postmistresses who have had the restructuring of their businesses taken on by the Government and who have faced the closure programme now need to know what to do with their businesses. The businesses are being closed as people have to retire. How does the new investor know what kind of business they are taking on if the Government will not make up their mind? It is an issue not just for the House, but for all those hard-pressed sub-postmistresses and sub-postmasters out in the country who want to know how to run their businesses. They need to know how soon the decision will be made. Will they have a decision before Christmas?

James Purnell: They will definitely have a decision way before that. The hon. Gentleman has to bear with me as the decision must be taken in due order. I cannot take a decision before all the necessary options have been completed. Indeed, the worst possible thing would be to take a decision that was then unwound. I do not want to try the patience of the House by using up the time—

Mr. Nigel Waterson (Eastbourne) (Con): You already have.

James Purnell: The hon. Gentleman, in his normal courteous way, says that I already have, so I shall take that as a further injunction to complete my remarks and will make some progress, if he will allow me.

We renewed the Post Office card account because it provides an important service for our customers and is an important way of helping people who would otherwise be financially excluded. Many people in many communities value it. I want to make it clear that I completely understand the strength of feeling that has been expressed in the House and by the thousands of people who have written to all Members to explain how strongly they feel. I feel that I have already made it clear—at boring length—that I cannot say anything further on that point.

Several hon. Members *rose*—

James Purnell: No, I have given way enough.

Let me pick up on the points about cheque conversion. There is a difference between cheques and POCA. As far as POCA is concerned, we have not been writing to our customers instructing them to open bank accounts. There was one mistaken letter, for which we have apologised, and the hon. Member for Mid-Worcestershire has brought another two incidents to my attention; we have corrected the problem and will be providing further training. I can reassure him that that is not the official policy of the Department; we have not written to people to ask them to transfer their POCA accounts to bank accounts. We have with cheques and we have been doing that since 2005. There is nothing new about that at all. Indeed, I have amended the leaflet in the light of the hon. Gentleman's letter to me.

It would not be true to say that we are not opening new POCAs. We are opening 12,500 POCAs every month, precisely because we inform people about the availability of that service.

Rob Marris: Does my right hon. Friend understand from the debate what the Liberal Democrat policy is? I intervened on the hon. Member for Cardiff, Central (Jenny Willott) and gave two figures. The first was the £450 million annual cost of sending out giros, and she said that that was wrong. She then said that it was not her party's policy to cut Government spending by 3 per cent. The adjective she used was "inaccurate", but the reference to 3 per cent. is a quote from the leader of her party in a speech made in the City of London on 12 May 2008. Does the Secretary of State understand the Liberal Democrats' policy or is he as confused as I am—perhaps because they are confused?

James Purnell: My hon. Friend makes an excellent point. The answer will be familiar to my hon. Friends: it is the magical Liberal Democrat money tree, which produces both cuts and increases in public spending without their ever having to be squared in any way at all. He is right to say that the Liberal Democrats want to make cuts of £20 billion. If I were running a post office I would be more worried about their being in power, because they will need to find those cuts. That stands in clear contrast to our policy of increasing spending on the Post Office.

Mr. Russell Brown (Dumfries and Galloway) (Lab): My right hon. Friend said that about 12,000 new customers every month were entering the Post Office card account system, but I am sure that he will also be aware that about 22,000 leave the system every month. Although we all want the Post Office card account contract to be awarded once again to the Post Office, he will recognise—as I hope the rest of the House does—that it is not the complete answer and that it cannot continue ad infinitum.

James Purnell: My hon. Friend is absolutely right. The other services that I mentioned are part of the answer; ID services could be part of the answer, as could other services that the Post Office is developing.

Richard Younger-Ross: Will the Secretary of State give way?

James Purnell: No, I am bringing my remarks to a close.

My hon. Friend the Member for Dumfries and Galloway (Mr. Brown) is right, too, to say that other types of financial service are part of the answer. Sixty per cent. of bank accounts are available from post offices, which in itself increases footfall, as well as increasing people's ability to find a job because their salary can be paid into

a bank account. It increases their ability to make reductions in their energy costs through the use of direct debits. As he says, there is no single solution.

The solution lies in modernising the Post Office, investing in it and having access criteria that preserve the level of service that people expect. That is exactly what Government policy is doing and I commend the amendment to the House.

8.20 pm

Chris Grayling (Epsom and Ewell) (Con): I listened carefully to the Secretary of State, but my clear view is that the Government should be ashamed of their handling of local post offices. Over the past few years, I have heard time and again how little Ministers have done to find a new role for post offices at a time of change. The big fear today is that Ministers' lack of judgment on the future of the Post Office card account will ring the death knell for yet another large swathe of the post office network.

No one on either side of the House has ever argued that the post office network should go through no change at all. It has changed under Governments of all persuasions, but for years it has felt as though Ministers have no interest in finding ways of ensuring that the local post office has a future role. The Secretary of State says, "Trust us and what we are doing", but we have only to remember how the Government and their Ministers handled the launch of the Post Office card account in the first place. They published booklet after booklet. There may have been corrections in one—as we heard today—but over the years booklet after booklet has explained to people how payments can be made directly into their bank account, and has set out other new ways of dealing with the Department for Work and Pensions and its agencies. However, to the fury of local postmasters and postmistresses in my constituency and around the country, the Post Office card account was mentioned only as an afterthought, buried in the small print in leaflets that most reasonable people judged as completely biased against it.

There was real frustration in post offices that customers had to turn page after page to find out whether the card account was even an alternative. At the time, I read the leaflets and promotional material and it certainly looked as though the Government hoped that the Post Office card account would not take off.

The product had an unhappy childhood, but despite all the Government's efforts large numbers of pensioners now depend on it—far more than expected. More than 4 million people use the accounts, half of them pensioners. Much more could be done with the card accounts to make them of even greater benefit to those who use them.

Daniel Kawczynski: The Secretary of State said that a decision would be made before Christmas. Will my hon. Friend lobby the Secretary of State to ensure that the decision is not announced on the last sitting day, just before we go off on our long recess, and that it is made way before then so that we can debate it in the House?

Chris Grayling: My hon. Friend makes an extremely good point. Given the Secretary of State's undertaking, I invite him to intervene with a commitment that he will not only announce the decision before Christmas but will make time in the House for a debate on the outcome.

James Purnell: It is not up to me to decide whether there should be a debate, as the hon. Gentleman knows, but I can absolutely give him the commitment that it will not be on the last day of the sitting before Christmas.

Chris Grayling: None the less, I trust that the right hon. Gentleman will use his good offices and his influence to ensure that the House has time to debate the decision.

Frankly, there should be no need for a debate on the decision. The Secretary of State has heard the views of Members on both sides of the House. We think the product is vital, and the fact that we are debating even the possibility of the Post Office losing it is a huge failing on the part of the Government, and represents a huge problem and a huge challenge for our post office network.

I am glad to hear the Secretary of State's assurances that he is trying to do his best with marketing, but only today I received a letter from a postmaster in Liverpool who asks why the Government are still making things difficult for people who want to take out a Post Office card account. He said,

"listen to the conversation with the DWP as they try to obtain a POCA account and you will witness what I have witnessed, that the choice is simply not offered, in fact it is positively discouraged to the point of coercion."

That was said not by a politician, but by someone who is dealing with customers in the front line right now. I applaud the Secretary of State for rewriting the brochures, but he has a much bigger problem to address.

Mr. Hoyle: I am rather shocked. Yes, the Government have not been enthusiastic about getting people to use POCA, but if a sub-postmaster is worth their salt, especially in my area—I cannot understand why this is not reflected in other areas—they encourage people to sign up to POCA. POCA has been successful because of sub-postmasters. I am a little shocked that that sub-postmaster does not understand the rules that they are using.

Chris Grayling: It is an issue not of sub-postmasters not understanding the rules, but of the people with whom would-be customers are dealing still not supporting the Post Office card account. That remains a major problem today.

Peter Luff: The Secretary of State indicated that these are all isolated occurrences. There have been far too many isolated occurrences, one of which occurred in my constituency last week, when the wife of a sub-postmaster was told on the phone by the Pension Service that POCA would not be renewed after 2010. When she challenged him, because she knew exactly what the situation was, the chap said, "I wish our bosses would tell us to say that, but they don't."

Chris Grayling: My hon. Friend makes an important point. I have no doubt that we will hear from him later if he manages to catch the Deputy Speaker's eye. He and his Committee have been doing important work in this area.

[Chris Grayling]

The long delay in the announcement of the contract makes it look pretty clear—this is one of the things that is unsettling the post office network—that Ministers have decided to move the account elsewhere but have realised that the political consequences of doing so will not be pretty, so the impression left is one of Ministers struggling behind the scenes to soften the blow.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does the hon. Gentleman agree that we would have the worst of both worlds if the decision allowed the Post Office to run the card account in rural areas but split it with PayPoint in suburban and urban areas?

Chris Grayling: I absolutely agree. This is a Post Office card account—the Secretary of State continues to use that title—and that, to my mind, means that it should be handled in a post office. It would be a tragedy and a travesty for our post office network if that did not apply in future. It would be a huge blow if it were a hybrid or a total loss. I am certain that thousands more post offices would disappear. Even with the kind of hybrid that has been mentioned, the National Federation of SubPostmasters estimates that some 3,000 post offices will disappear if the decision goes the wrong way.

Jo Swinson (East Dunbartonshire) (LD): Does the hon. Gentleman agree that the Government have failed to grasp the depth of anger felt by the public and sub-postmasters about the fact that, after years of post office closures under the urban reinvention and network change proposals, it looks as though there could be a wave of new closures because of the Post Office card account? People are asking, "Where will it all end? What will be left of our post office network?"

Chris Grayling: The hon. Lady makes an important point, and I hope that Ministers will listen to the comments coming from both sides of the House. The issue does not divide on party political lines; concerns are shared across the House, and most Members do not want change. I hope that that message has reached Ministers loud and clear in the decision that they are taking. They have taken so long to take the decision. If people say that they will take a decision and then delay it month after month, it not only creates a sense of real insecurity and uncertainty in the post office network, but sends a message of a lack of commitment to the product.

Albert Owen: Both the hon. Gentleman and I want the Post Office to deliver the card account, and does he agree that there have been some successes? I think that he said in his opening remarks that things have gone downhill. For instance, the foreign currency exchange is good for the Post Office, because it can compete on a level playing field. Does he not also agree that, to sustain the network for the future, it needs a substantial subsidy of some £1.7 billion to 2011? Will the Conservative party match that policy?

Chris Grayling: If the hon. Gentleman had been listening to my hon. Friend the Member for Mid-Worcestershire (Peter Luff), the Chairman of the Business and Enterprise Committee, he would know that the Post Office's objective is to return itself to where it was 10 years ago, which is being commercially viable. The tragedy of the way in which the Post Office card account has been handled is that the Government have actively sought to discourage people from signing up. At no point has any hon. Member on either side of the House called for a cut in the support to the Post Office, but we all want the Post Office to be in a position to restore itself to balance. That would give it longer-term security and, frankly, free it from the vagaries of decisions taken by Ministers.

Mr. Roger Gale (North Thanet) (Con): The *Hansard* record of the debate will show that the Secretary of State said—I quote him—that far too many people still do not have a bank account. Is not the reality that the Government are trying to drive people towards the banks? Is it not the fact that the Government do not care about the Post Office card account—the only successful piece of information technology that they have managed to introduce?

Chris Grayling: My hon. Friend makes an extremely important point.

James Purnell: For the record, I hope that the hon. Gentleman will allow me to make a correction; I did not say what the hon. Member for North Thanet (Mr. Gale) said I did. I said that 2 million people do not have bank accounts, which is why POCA is so important. That is the opposite of what he quoted me as saying.

Chris Grayling: The Secretary of State is absolutely right that the issue that we are debating today is not simply access to the Post Office card account to enable pensioners to get pension payments. The issue is also about social deprivation and the challenges that exist in many of our communities. It is a crucial issue for families in the battle against poverty. It is all very well for us; we have easy access to financial services, banking, credit, cash to pay our bills, and funding for major purchases such as a car to get to work. However, the truth is that one in 25 families still has no bank account of any kind, and 800,000 children are being brought up in households with no bank account. Some 7.8 million people in the UK are unable to access mainstream credit. That puts huge extra financial pressure on families. That is why the debate has deeper significance; it is not simply about the future of the post office network, however important that is. We are dealing with a vehicle that can address some of the biggest social issues in our society.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Some of my most vulnerable constituents have been told that they will no longer be able to receive their giros. They are unable, even with the help of their local postmaster, to access POCA. That leaves those very vulnerable people in an even more difficult position.

Chris Grayling: It is enormously disturbing that people are finding it difficult to sign up to POCA. It should be as easy as anything to sign up for it. If it is difficult to do so, it is a sign that the system is still not working.

Mr. David Drew (Stroud) (Lab/Co-op): I am in a unique situation; I went to a post office reopening today in my constituency, but we are like that in Stroud. Does

the hon. Gentleman agree that one of the sad things about all that has happened to the Post Office is that it is not just central Government who have withdrawn their services from it; local government started the process. Members from across the political parties could encourage local authorities to look again at the services that they could still provide through the Post Office. Is that something that the Conservative party would like to do alongside the Labour party?

Chris Grayling: I would like Departments and local authorities to look at ways of strengthening our post office network, yes, but the significance of the debate is that it shows that there is no other step in the pipeline that would lead to such an extensive further closure programme in our post office network. That is why the debate is so important.

Justine Greening (Putney) (Con): My hon. Friend has not yet mentioned small businesses, but those in my constituency absolutely rely on local post offices. We have lost more than half our network in the past five years. Does he agree that this is the last time at which we should want to reduce small businesses' access to post offices?

Chris Grayling: My hon. Friend makes an important point. We know that small businesses use post offices vastly disproportionately more than any other similar services available to them The disappearance of the local post office can be a real blow to small local businesses, particularly emerging businesses in areas of society that face significant challenges.

Of course, there is another dimension to the financial pressure on families, apart from the lack of access to banking services. Someone without access to financial services cannot access the cheapest tariffs, because they do not have the basic ability to pay through direct debit. There have been all kinds of estimates of the cost of the poverty premium to people on low incomes—the extra that they pay to access basic financial services and utilities: the figure of £1,000 a year is common. The Financial Services Authority has said that the lack of access to those services pushes family costs up by as much as £700 a year—money that could be better used for other things.

What has the Government's response been? Instead of looking at how we can build up the Post Office, so that it can offer people extra services, the Government are taking steps that risk emasculating the one institution that has national reach, and that could help to bridge the banking gap left behind as the branch networks of the big banks have retreated in the past 10 years. When the Secretary of State talks about renewing the Post Office card account, what is in doubt is whether, in the end, it will be a "Post Office" card account. If the post office network disappears or goes into another period of great retrenchment, we will condemn entire communities to a life in the financial wilderness, when a degree of planning and thinking could have turned—could still turn—our post office network into a real force for good in many areas, growing, becoming more diverse and offering a route into banking for those who are deprived of it. That is why we have proposed an extension of the functionality of the Post Office card account—initially to help people to access a better deal on their utility bills—and it is why we think that there is enormous potential in expanding the account into other areas.

The concept of cheaper utility bills is simple. Ministers have talked a lot in the past few weeks about the fact that some of our poorest people cannot access the cheapest tariffs from electricity and gas providers. If people were able to use their Post Office card accounts to make direct debit payments for their utility bills, they would be able to access those much cheaper tariffs. It is a simple idea at a time of high energy bills, and I wish that Ministers would seize on it and turn it into a reality. The Post Office card account and the post office network could do so much more to help breach the barriers to financial services in so many of our deprived communities.

The Government have, step by step, brought us to what I think Members from all parts believe to be a sorry position. We know the constraints on the Secretary of State, and he cannot tell us exactly what is happening. It has been a theme of the process: we were not allowed to know what was in the tender documents, and we are not allowed to know who is bidding. There is no reason, however, why we cannot know, from a Government who 18 months ago said that they would bring a new sense of openness to governing, at least some basics about what is going on.

I hope that the Secretary of State will take away a strong message from the House in this debate. Local post offices remain of enormous importance and enormous concern, and the future of the post office network depends significantly on the decisions that he and his colleagues will take in the next few weeks. We have heard from the Secretary of State about all the things that the Government claim to have done for our post office network, but that is not the message that I and others in the House get from people who work in the network. They all say that, step by step, the Government have removed the services that have kept their businesses going, and that, as a result, many post offices have disappeared.

The future of the Post Office card account will determine the future size of the post office network—whether or not there is another wave of closures. I do not think that we can afford to see more post offices disappear, so my message to the Secretary of State is that it is time that the Government did what was actually right.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next Member to speak, may I say to the House that a 10-minute limit on Back-Bench speeches will apply from now on? A very large number of hon. Members are seeking to catch my eye, and if they take less than their allotted time more of them will be able to speak.

8.37 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): It is always a great pleasure to follow the hon. Member for Epsom and Ewell (Chris Grayling) in debate. He is always charming, and he is always implausible. He tried to wring Members' hearts by saying how many people would be forced to obtain their benefits through bank accounts if Post Office card accounts failed, which I hope they will not. I should like to remind him that in his own constituency, 89 per cent. of benefit recipients obtain them through bank accounts, and that only

[Sir Gerald Kaufman]

9 per cent. do so through Post Office card accounts, so he is being very altruistic when he calls for the saving of Post Office card accounts.

Let us be very clear about the issue: Post Office card accounts were created by this Labour Government. The Conservatives and the Liberal Democrats try to portray the accounts as a grand old British tradition, like fox hunting or the Poor Law, but the account was created by the Labour Government in 2003 as the electronic equivalent of the benefits order book, which people used to collect their pensions. The Post Office card account is a hugely valued public service, and it was created by this Labour Government.

Nationally, 4.5 million people have Post Office card accounts, and in my constituency, 8,110 people collect their benefits through them. The accounts offer a valuable service, and I want them to continue; throughout this controversy, my whole objective has been to persuade whomever is necessary that they should continue. Of course, the account costs money. It is quite expensive compared with other services, but so are other initiatives created by the Labour Government: Jobcentre Plus offices, Sure Start and the new deal are all expensive, but who today would disband any of them on the ground that they cost a lot of money? The answer, I suppose, is the Conservatives and Liberal Democrats, as they opposed their creation in the first place. However, the Labour party believes in creating public services for those who most need them, and the Post Office card account is a public service for those who most need it.

Hon. Members for rural constituencies often talk about post offices as community centres, and I respect that. I am sure that those hon. Members are right, but their point applies in the inner city as well.

Mr. Jim McGovern (Dundee, West) (Lab): Is my right hon. Friend aware that some rural post offices carry out as few as 14 transactions a week? That means that each transaction is subsidised to the tune of £18.

Sir Gerald Kaufman: I am grateful to my hon. Friend for that information, but nevertheless I respect what is said by hon. Members from both sides with rural constituencies when they point out that rural post offices are community centres. But post offices are also community centres in inner-city areas, such as my constituency of Manchester, Gorton. The Post Office card account keeps small post offices going; it represents £27 billion worth of transactions every year. That is important. The account provides custom for other post office facilities; people go in to collect their benefit and decide to make another transaction. The account also provides custom for local convenience shops. Pensioners and others on benefit in my constituency go to the post office for their benefit and spend some of it in the local shops for their household or personal needs.

As I have made clear to my right hon. Friend the Secretary of State, my constituents believe that it is essential that the Post Office card account should continue. Of course, we recognise that the Government have to conform to the European Union procurement rules; whatever else the hon. Member for Cardiff, Central (Jenny Willott) said, she, a representative of the Eurofanatic party, did not tell the Government to ignore EU procurement rules. The Government are not a totally free agent, so I understand why my right hon. Friend has not been able to announce a decision. However, the Liberal Democrats did not mention the European Union rules because they are totally opportunistic. They probably did not know that there were Post Office card accounts until the National Federation of SubPostmasters started organising postcards that alerted them to the fact that here was a little opportunistic horse on which they could ride. That is what the Liberal Democrats look for, the whole time—"What is the opportunity? What is the grievance? Let's get on board. It doesn't matter what we thought before or what we say next time. At the moment, this could be a vote winner."

No doubt the hon. Member for Manchester, Withington (Mr. Leech) will be circulating "Focus" leaflets in his part of Manchester, so I am interested that he has not even bothered to turn up for this debate. We shall make that clear in Manchester when crocodile tears are wept about the Post Office card account. The Liberal Democrat MP who got his seat on a bogus scare about the closure of the cancer hospital cannot even be bothered to turn up and speak up for his constituents on the Post Office card accounts, as I—a loyal Labour Back Bencher—am doing. *[Interruption.]* There are all kinds of brands of loyalty. At the end of this debate I will vote with my Government, as I always do, because the last thing in the world that I will ever do is vote with the Liberal Democrats on an opportunistic motion that they do not even believe in themselves.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): I am thoroughly enjoying my right hon. Friend's contribution. I could not agree more that we should not be walking through the Lobby joining opportunistic bandwagon-hoppers like the Liberal Democrats. Does he accept that the Post Office card account is so extremely popular with my constituents, as with his, partly because it is part of the Post Office, not PayPoint or any other organisation?

Sir Gerald Kaufman: I agree with my hon. Friend. Twenty-nine per cent. of my constituents who collect benefits collect them through the Post Office card account. It is a very valuable service for the people who send me to Parliament, and I want it to continue for their sake and for the Post Office's sake.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): It is unconscionable that the Post Office card account should go from the Post Office; in a sense, it is like a backstop. Does the right hon. Gentleman agree that in many communities—particularly, speaking as an urban Member, inner-city communities—we should think of these post offices as an outreach: a fantastic resource through which we could find many other ways of getting to people in difficulty instead of seeing them, as the Government do, as a problem because there are too many of them?

Sir Gerald Kaufman: I entirely agree with the right hon. Gentleman. What we have is a public resource going right back to Rowland Hill in 1840. These days, there are very few institutions that are greatly respected by ordinary people—obviously the national health service is one of them, but the Post Office is certainly another. The words "Post Office" and "Royal Mail" really mean

something to people. That is one of the reasons why it is so essential that it remains a publicly owned service. I hope that the Government will look for other ways of using these centres to provide public services for our constituents—those of the right hon. Gentleman in the area that he represents and mine in the area that I represent.

As I say, no force on earth will get me to walk through a Division Lobby with the Liberal Democrats on a motion tabled by those cynical opportunists. However, the fact that I will not vote with them does not mean that I do not expect something from my Government. What I expect from my Government, recognising that they cannot make the announcement this evening and have to abide by the European rules, is a firm decision, as soon as it is possible for them to make it, to continue with the Post Office card account. I have been in correspondence with my right hon. Friend the Secretary of State and with my right hon. Friend the Prime Minister, who sent me an encouraging, but of course not conclusive letter. I say to my right hon. Friend the Secretary of State: come up with what we want, James, and you will be an even bigger hero than you are now.

8.48 pm

Peter Luff (Mid-Worcestershire) (Con): I intend to speak primarily as Chairman of the Business and Enterprise Committee, which this morning produced a report on this very subject. We published it because we were so concerned about the extraordinary delay in reaching a decision that was originally trumpeted as coming in early 2008, then hinted at before the summer recess, and now here we are in the middle of November still with no decision. I commend the report to the House. I am grateful to the hon. Member for Chorley (Mr. Hoyle) for waving a copy.

However, I also want to speak as a constituency Member of Parliament, because it is from our constituents that we understand the importance of this issue. An 84-year-old man from Droitwich rang my office this morning to say how worried he was about the future of the Post Office card account. He explained that he and his elderly friends find it increasingly difficult to sort out their affairs because they can no longer speak to anyone to in order do it. He said that they find all these "touch machines"—his words—for statements of accounts and so on very confusing, and that even parking the car and using ticket machines is worrying. He said how important the post office was to him and his friends because, as the National Federation of SubPostmasters pointed out in its submission, they get advice there on how to do these things. That personal touch is what the card account brings to elderly, disabled, worried, confused or deprived people.

I shall speak as a Select Committee Chairman, but I want to make one brief partisan comment first. I thought that the Liberal Democrats' motion was extremely good, and I discovered that that was because the hon. Member for Chorley drafted it. They have copied his early-day motion word for word and comma for comma, as he said. That explains the excellence of the drafting, which I commend to the House, and I invite the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) to vote for it in view of its origins, which are honourable indeed.

I was a little surprised and disappointed by the Government's amendment in two respects. First, touching on an issue we have already debated, it trumpets the fact that there was no subsidy before 1997. A word in the Secretary of State's ear: that is the wrong attack. Royal Mail Group is in trouble because the Conservative Government probably took too much money out of it, denying it the investment it needed, because it was making so much money. It did not need subsidy. I strongly advise the Secretary of State not to repeat the line about no subsidy before 1997. If he wants to attack my party, there is a better way of doing it. Subsidy is not a particularly good thing to trumpet anyhow because the Post Office does not want to be subsidised; it wants to be commercially viable again and it has a plan to work towards that. That is really important.

On an even more partisan note, I would like to deal with this idea that the card account can be replaced with the

"potential for future ID management business for the Post Office".

So we replace a much-loved card account used every week by pensioners, through which they receive money, with an ID card that they do not want, which they replace perhaps once every 10 years, and for which they have to pay for the privilege. I find bewildering and surprising the idea that ID management in some sense replaces the Post Office card account. I shall vote with pleasure for the Liberal Democrat motion, knowing its origins, and with pleasure against the Government's amendment because it is so outrageously wrong.

We are talking a lot about the future of the post office network and the potential for up to 3,000 closures. That potential certainly exists, but this debate is all about the 4 million vulnerable people who choose to use the Post Office card account. As we say in paragraph 12 of our report:

"the POCA caters for precisely the people who do not want to, or cannot, use conventional bank accounts: in the very nature of things, they are disproportionately likely to be poor or elderly."

They actually want the Post Office card account as a separate pot of money. Some of them have bank accounts, but they want that separate pot, too, because it helps them to manage their affairs. I sometimes think that the Department for Work and Pensions has a slightly patronising attitude of, "We know better than you how you should run your financial affairs." Actually, 4 million people still choose to run them this way, in the face of massive incentives not to have a Post Office card account, and those wishes deserve to be respected. As we say in our report:

"Their needs should be paramount"

as the Government reach their decision.

I would like to highlight the question of state aid, which is a thorny question for the Government. The state aid permission for subsidising the network was given on five specific grounds, and as the hon. Member for Cardiff, Central (Jenny Willott) said, at least two of these depend directly or indirectly on the continuation of the card account:

"the processing of social benefit and tax payments"

and

"universal access to basic cash and banking facilities and Government savings instruments, especially for rural customers and those on social benefits".

[Peter Luff]

As we say in our report:

"The Government must consider the implication of the state aid decision".

If the Post Office does not get the card account, the Government could also lose the ability to subsidise it. That will be necessary until the post office network makes money once again, as I believe it can under its new and very good leadership.

As I said in my intervention on the Secretary of State, the Committee had some reservations about the access criteria, but broadly speaking we endorse them in the current circumstances. What a shame they were not spelt out in the tender documentation in the original advertisement in the *Official Journal of the European Union*. The journal entry contained an important phrase. It said that the ATMs and personal teller outlets should be "located throughout the UK". It is an important phrase that the Secretary of State needs to note carefully. I believe that it gives him the opportunity to make the right decision on the future of the card account.

There are two criteria that the Government need to bear in mind relating to that remark about the distribution throughout the UK. In paragraph 13 of our report, we say:

"A tender which offered far more teller outlets than the 10,000 specified,"—

the advert specified 10,000—

"but could do so only in urban or relatively densely populated areas would not, in our view, meet the needs of POCA users."

It is important to understand that. Paragraph 15 states:

"Moreover, the new service will have to provide *reliable* access to cash for those using the card account. No tender should be accepted if it cannot demonstrate that it can meet this need, at the branch most convenient for users."

That is important.

Mr. Weir: Paragraph 14 makes the point that, under the LINK network, the nearest free ATM, apart from that in a post office, can often be many miles away. If that post office goes, it will be difficult in rural areas to get free access to cash.

Peter Luff: I am grateful to the hon. Gentleman—my hon. Friend for these purposes—who is a valuable member of the Committee, even though he was not with us last week; I believe that he had other business in Glenrothes. However, he makes an important point, which I would like to have made, if I had time. Our report is short, but I cannot read it out in 10 minutes, even at the speed at which I normally speak.

Only the Post Office offers guaranteed access to cash. The ATM network cannot be guaranteed, because many of those machines are located in post offices that might close if they do not get the Post Office card account business. Only the Post Office has the cash and transit operation to take the cash to the post offices so that it is there when pensioners, whose most basic financial inclusion right is having access to cash, want it on a Monday morning. There is no guarantee that any other provider could deliver the cash at the moment that it is needed. In our view, that is a crucial criterion.

The problem appears difficult for the Secretary of State to resolve, but I do not believe that it is. I am pleased that he remains in his place—it is typically courteous of him to be here, listening to the debate, rather than leaving after making his contribution, and I greatly appreciate that. There is a solution. The contract has been advertised on the basis of the most economically advantageous tender. That is important, because it is not a simple question of cost. Even if one bidder offers a cheaper option than another, the Secretary of State has the right to choose the one that will give the best overall result. As the report states:

"This allows the Government to take a wide range of criteria into consideration. It must do so, to ensure that easy and reliable access to cash and access to benefits remains possible for those who currently use the Post Office Card Account."

We had an exchange about access criteria during the Secretary of State's remarks. Those criteria should underpin his judgment. Anything that falls short of them is, according to the Government's judgment, inadequate and wrong.

We conclude our report by saying:

"There is very little time for the Secretary of State to come to a decision, but when he does so he must take the needs of POCA users, and of the community as a whole, fully into account."

It would be strange, when this country is in a recession and many thousands of small businesses face a difficult and challenging time, for the Government, who claim that they support small businesses—they did so in the amendment to the previous motion—to make a decision that directly threatened the future of at least 3,000 businesses.

I do not understand the reason, but the Department for Work and Pensions and its predecessor have never liked the post office network. Those of us who were Members of Parliament between 1992 and 1997 remember that the Conservative Government played with the same idea and speculated about ending payments through post offices. There was a huge outcry from those of us who then sat on the Government Benches and the Government quickly retreated, realising the error of their ways. Clearly, civil servants in the then Department of Social Security kept the idea in the back of a drawer, brought it out and offered it to a new set of Ministers, who willingly and unthinkingly embraced it. They were wrong to do so. The civil servants in the Department have something against the network. It is the job of Ministers to say "No. There is something immensely important and valuable here that we mustn't allow the country to lose."

I therefore say to the Secretary of State: fight the prejudice and enable the Post Office, which has fine new leadership, strong commercial ambitions and a genuine prospect of making a go of it again in the harsh new environment in which we live, to succeed. Please help the Post Office do that—do not get the decision wrong.

8.58 pm

Mr. Lindsay Hoyle (Chorley) (Lab): I welcome the opportunity to speak in this debate. The motion that the Liberal Democrats tabled is a carbon copy of the early-day motion that I tabled on 9 July. I am only sorry that naked opportunists did not have the decency to tell me that they intended to copy my early-day motion. That is the least that should have happened.

Two overriding concerns motivated me to table the early-day motion on 9 July: first, the future viability of the post office network and, secondly, the future of the

Post Office card account. Those two issues were at the forefront of my mind. I must tell my right hon. Friend the Secretary of State that there is no way that the majority of hon. Members support any body other than the Post Office delivering POCA 2. I cannot speak strongly enough in favour of POCA 2 coming through the post offices. Indeed, the decision is such a no-brainer that we should not even consider anybody else distributing POCA 2. There is no way we will accept anything other than the Post Office.

I say that to make it clear where we stand now and where we will still stand when the issue comes back to us. I know that my right hon. Friend will get that message and that he has taken it on board. We have all sent letters to the Prime Minister to ensure that our voices are heard as Back Benchers and, more importantly, that our constituents, whom we represent and who are the users of the Post Office, have their voices heard loud and clear. That is the point that I want to make this evening.

This debate is about our concern and using our best efforts. We have to ensure that pensioners and people on benefits have that choice. We have had that reassurance this evening, and I was pleased to hear that from the Secretary of State who is listening. He is willing to ensure that people know that POCA is available and can use it. I am pleased to hear that, because it is very important that we do not strangle the system or turn off the oxygen to POCA.

POCA is important because the Post Office is so dependent on that business. Whether the figure is 2,000, 4,000 or whatever, as many as 80 per cent. of post office counters throughout the UK could close without POCA 2. That is what we are talking about. It is why 2010 is so important, and why I am pleased that my right hon. Friend has said that he will advertise POCA.

It was key to get something from the Secretary of State this evening—he said that he would look to set up a taskforce, and that is important. A taskforce is needed to find the extra work for the Post Office—real work and real alternatives, because however strongly I or the rest of us in the House might feel about POCA, it is short term. POCA is not the future of the Post Office. That is where we are failing.

We are talking about a short stay of execution—death by a thousand cuts eventually in the post office network. The problem is that as more people retire, the older generation that uses POCA is dying off and the new people coming into the system use their bank accounts. They do not go near a post office. We have to find an alternative, so that people will go back into the post offices. We have to find the work and bring it back into the post offices.

Peter Luff: I am grateful to the hon. Gentleman for giving way, as he gives me the opportunity to pay tribute to his excellent work on the Committee on which we both serve and which I chair. Does he accept that Post Office Ltd has a plan to do precisely what he describes, but that POCA needs another five years to enable it to work? If Post Office Ltd gets those five years, it can do exactly what he says and move on. That is what we need to work towards.

Mr. Hoyle: The hon. Gentleman is the Chair of our Committee, so how could I disagree with him? That is what I am saying: it is important that we introduce POCA 2 now, so that we have another two, three, four or however many years after 2010. However, we cannot rely on that to save the Post Office. That is why we have to come up with alternatives and go through other Departments to see what other work we can bring into the Post Office. That work must be sustainable and long term.

I believe in the network. I believe in Royal Mail and the Post Office. I also believe in it being publicly owned, unlike the Opposition, who on the one hand say, "We want to privatise the Post Office," and on the other say, "We want to save the post offices." Surely they cannot indefinitely put so much taxpayers' money into a private company. There is something wrong with their argument this evening. What we need to do is look for that real alternative.

I believe that there is such an alternative. We have invested and saved Northern Rock. We know that a true community bank operating throughout the country is lacking. That is a system that we could use, by introducing a community bank that would offer all the services to the people who cannot access them unless they go through the internet or are willing to travel to the nearest town. We will replace the banks that have been lost throughout the towns and villages in this country. We now have a great opportunity to do just that. We can sit down, look to the future and find the right formula for introducing a community bank, because that is what is lacking. It is also lacking for businesses. Why should the few remaining milkmen, for example, have to bank their money in the town, when they should be able to bank at the post office? There are many small businesses that could use a Post Office bank, and this proposal is about putting such a bank in place and giving people a real assurance of the future.

I also want to tell the BBC, which is quick to tell us that it wants more money for the TV licence, that I want to get my TV licence from the post office. What right does the BBC have to take that ability away from us? That was an absolute disgrace, and a complete shambles. It is willing to take taxpayers' money, yet it is not willing to support taxpayers' business through the Post Office. Those are wrongs that we can put right. They are the things that can really begin to save the post offices. Yes, we can do so much.

Will I be supporting the Liberal Democrats tonight? Will I heck as like! This is the cheek with which they operate. They really have not given us an alternative, and they will never do so, because they are not going to be in government. What they have not told us tonight is that their motion is a copy of my early-day motion, which aimed to ensure that the Government were getting the message. That message was: rethink, look again and deliver. Supporting the Liberal Democrats tonight will not save anything; far from it. I have achieved more by saying this tonight from these Benches than they have done. We have already reached agreement on a taskforce and on the advertisement of POCA. We have made great strides tonight, and that is because we are willing to fight for the future of the Post Office. If people are serious about voting to save the Post Office, they should not follow the Liberals into the Lobby tonight. If they are serious, they should back the Government, who are willing to listen.

I give the House the assurance that I will continue to fight for the Post Office and for the future of Royal Mail, because I believe in them. I believe in the work

[Mr. Hoyle]

that we have done on the Business and Enterprise Committee, and I believe that what we did under the Department of Trade and Industry was right. We have got it right, and what we need now is for the Government to listen. I believe that they can do that, and I am with the hon. Member for Mid-Worcestershire (Peter Luff) when he says that there is only one alternative: it is the Post Office and it is Royal Mail. I say to the Government: please listen, and please deliver. Let us back the Government tonight.

9.7 pm

Greg Mulholland (Leeds, North-West) (LD): It is a pleasure to follow the impassioned plea made by the hon. Member for Chorley (Mr. Hoyle). I enjoyed his speech, as I often do, although I cannot understand his logic, which reflects the Government's lack of joined-up thinking and their contradictions over this whole issue. It illustrates their inconsistency, accompanied by a real lack of leadership and will. We have seen service after service withdrawn from the post office network over the past few years, and the services that remain—on which the post offices rely absolutely—are not advertised. The hon. Gentleman made that point in his speech.

The Government underestimate the public's anger and sheer exasperation at the way in which they have handled the post office network in recent years. They also underestimate the exasperation of the people who are running our post offices—the sub-postmasters. My constituency has suffered over the past few years, as has every other area in the country. In 2004, we lost four post offices, and in 2008 we lost another three. None was reprieved, although we have a rather surreal situation at Bramhope in that the Post Office now says it will sit down with the local parish councillors to talk about whether a local consortium might be able to open a post office, even though it has let the closures go ahead. That is another case of an extraordinary lack of consistency and joined-up thinking.

Mr. Hoyle: The hon. Gentleman and I support the great game of rugby league, and we also support and believe in the Post Office. Does he not agree that he should not be proposing to privatise the Post Office, because that is not the future? This illustrates his inconsistency. He wants to support Post Office Counters but, at the same time, he wants to privatise Royal Mail. Does he not agree that that will not work?

Greg Mulholland: The hon. Gentleman and I agree on many things, and I am sure that we both felt real hurt over England's woeful performances in the rugby league world cup. I am sure that we both agree that England will improve hugely in the semi-final at the weekend. However, he does not actually know what Liberal Democrat policy is on this issue—*[Interruption.]* Let me make it very clear, so that he and others can understand it: our policy is simply to inject a large amount of private capital into Royal Mail and properly support it, and to leave the post offices and let the network continue. *[Interruption.]* It is what is called the proposal for enabling the network to continue. Nothing has been proposed by the Conservatives, and the Government have eroded the network over recent years. I will take no lectures from Labour Members.

Never mind the voices of politicians chuntering from sedentary positions; let me allow the voice of those who run our post offices to be heard properly in the debate. I was approached by Sandra Jarvis, sub-postmaster of Ireland Wood post office in my constituency. She said that the Post Office card account was very important to her business, adding:

> "Withdrawal of the Card Account from the Post Office network, will mean that thousands of people nationwide will have to draw their monies from where? High Street Banks (that's if they qualify to open bank accounts)? Paypoint outlets, supermarkets?"

She went on to say:

> "The Government have chiselled away at products serviced at the Post Office over the years, with the loss of many transactions: TV Licences, DVLA Motor Vehicle Licensing... and savings stamps, to name a few.
>
> Cessation of the Card Account at the Post Office will have the knock on effect of us losing utility payments also... Gas, Electric, Water, Rent and Poll Tax payments. Many Pensioners/Unemployed pay their weekly bills upon receipt of their monies from us, which equates to several thousand pounds per week."

That will hit them, she says, and

"will hit my business badly."

She asked:

> "Where do the customers go if the Card Account is taken from us? How do they get there?"

Those are questions that the Government simply have not addressed.

Mark Williams: Is not the question "Where will people go?" particularly relevant to the most rural and isolated communities in the country? As for access to supermarkets and other shops, for many of those communities the last shop has gone as a result of the recent closure programme. People cannot gain access to benefits through shops because they have all gone, and there is no public transport. What is my hon. Friend's solution?

Greg Mulholland: I entirely agree, and I pay tribute to what my hon. Friend has done in regard to rural issues in his community. Let me give another example of the lack of joined-up thinking. I think we would all agree that the Sustainable Communities Bill was an excellent idea, but the Government's action is eroding precisely what it aims to do. Sandra Jarvis also asked:

> "Is this the objective of the Government, in order to save on the subsidy it pays out to the Post Office?"

I shall restrict my comments in order to allow others to speak, but let me say a little about the most vulnerable members of society. I refer to older people, disabled people, and people who find it hard to access services: people with learning difficulties and people with mental health issues. Those people were marginalised in the so-called network change programme. The Post Office spin doctors came up with that extraordinary phrase to describe what was, in fact, a closure programme. How very new Labour! Now the same people have been marginalised by the confused process involving the Post Office card account. The issues relating to access have been glossed over again.

Has there been any assessment by the Department of the impact that its action will have on the lives of people who need to obtain the many benefits and services that they may need? There has not, and that is, quite simply, a scandal. Figures from Age Concern reveal

that 76 per cent. of older people fear that they will lose essential services if there are more closures, 73 per cent. fear that they will not be able to access similar services in the local area, and 88 per cent. would have to make special travel arrangements to reach alternative services.

A pensioner in my constituency to whom I spoke on Friday, Mr. Wilf McCombe of Bramhope, simply does not understand why the Government will not allow the Post Office to continue its card account. He said that one of the wonderful things about the account—let us concentrate on the positives—was that pensioners could go anywhere in the country to pick up their pensions from the post office. That is very useful when he is away on holiday or visiting relatives. He also not only made the point that people feel that through POCA they can access services in post offices they know and trust, but asked where the machines will be sited if the contract goes elsewhere. They will be sited in places that older and vulnerable people do not necessarily know or feel comfortable accessing, and they will probably simply not want to do so. Awarding POCA outside the Post Office will therefore be a blow from a business point of view—apart from the clear absurdity of doing that when it is supposed to be called the Post Office card account, as several Members have pointed out.

We know there is a particular problem for older people and the most vulnerable. We have heard about the issues for rural areas and deprived urban areas, but there are pockets of people everywhere who will find that the problems of access mean that they might not leave their homes. As Sandra Jarvis said:

"The Card Account holders at my office are Pensioners and the Unemployed, and for many of them it is the Social centre to come to the Post Office (and in the case of Pensioners perhaps the only time in the week that they get to leave their homes and speak to someone)".

That is not being taken into account.

Mark Williams: My hon. Friend has talked about rural areas and about deprived areas. I represent a convergence zone area that receives funding from Europe, because Ceredigion is both rural and deprived. Does my hon. Friend agree that the problems to which he alludes are exacerbated in areas such as my constituency?

Greg Mulholland: That is true but, equally, what about areas such as Otley, north of the river? It is not necessarily a deprived area, yet the wonderful work done by Otley Action for Older People will be undermined by the recent closure of Newall post office. People in that area will simply not be able to access the services they need. The simple fact is that if the Post Office loses this tender, that will leave huge numbers of older people both financially and socially excluded.

The Government have not faced up to the reality that if they do not follow through and ensure that the post office network is the recipient of POCA, that will sound the last post for a genuinely national post office network, as 3,000 more post offices have been predicted to go, which would leave about 8,500. That is simply not a sustainable amount, so the post office network will not be able to continue.

I shall conclude by specifically addressing my friend, the hon. Member for Chorley, by saying that although he does not feel he should vote with our party this evening, the reality is that this is the last opportunity this House has to send a clear message about POCA. Labour Members are all too happy to march in local protests against post office closures, but they have the chance this evening to put their money where their mouth is and to march into the Lobby with Members from across the Opposition Benches to send the clearest possible message we can from this Chamber that POCA must be retained with the Post Office, as the consequences of not doing so are grave.

9.18 pm

Kate Hoey (Vauxhall) (Lab): As chair of the all-party group on post offices, I want to say that there has been considerable all-party support on this issue over a period of time, and it is sad that, although there is a huge amount of agreement on it in all parts of House, we all have to start playing a bit of party politics when it comes to the vote—although I suppose that that is what this place is like.

I say to my hon. Friend the Member for Chorley (Mr. Hoyle) that imitation is the sincerest form of flattery, so he should not be too upset that the wording is precisely what we all signed up to. I also want to say that the report by the Business and Enterprise Committee that came out this morning and the previous reports produced under the chairmanship of the hon. Member for Mid-Worcestershire (Peter Luff) have been very good indeed, not just on this issue, but on all the issues. Of course, my hon. Friend the Member for Chorley is also a member of that Committee, so I am praising him, too, there. The National Federation of SubPostmasters is very concerned about this issue, and tomorrow afternoon it will be contributing at an emergency meeting of the all-party group, so Members might want to come along to that.

No one listening to this debate will understand how we as a Government and a country can have spent the period from March, when the tender process closed, until now with all this uncertainty and lack of transparency regarding the contract tender. That seems amazing in this day and age. I know that there are rules governing the various aspects of tendering, but there must have been a lot more that we collectively could have been told. I still do not understand why we needed to tender the contract, and I will not accept that we needed to.

Mr. Flello: Does my hon. Friend share my puzzlement at the fact that in 2003, when we introduced POCA, as far as I am aware—I may be wrong and I stand to be corrected—we did not tender it then?

Kate Hoey: I agree with my hon. Friend, but I expect that somebody somewhere will say that some new European regulation—I am sure that we in this Chamber did not vote for it—came through at some stage saying that we must do this. The Secretary of State mentioned the Republic of Ireland. Yes, its Government were taken to court, but the decision was unproven, so they got away with it, if we want to put it like that; I would say that they stuck up for their citizens, which is what our Government should be doing. It is time that we stood up to some of the ludicrous rulings and directives that come from the European Union. Instead of making people feel that the Union is helping them, such measures make them feel that all the Union cares about is a bureaucracy at Brussels that is telling people in this country how to run their lives. However, I do not want to get diverted into that.

Ms Katy Clark: My hon. Friend is of course aware that the Government recently set aside the competition regulations in relation to HBOS and Lloyds TSB. Given the importance of the post office network to the whole country, does she agree that this is a matter of overwhelming social significance and an overriding public policy reason why the competition regulations should be set aside, and that we should not have entered into this tendering process?

Kate Hoey: I absolutely agree with my hon. Friend, and I still have not had a proper answer to that question; perhaps the Minister will return to it in summing up.

I may be wrong, but I suspect that discussions are going on between Departments about this issue. Clearly, there has not been a unified view. We will obviously get a unified view at the end of the process, but it should come very quickly indeed, and I hope that it will be in line with what the vast majority of Members have said tonight that they want to see happen. As everyone has said, winning the POCA contract will not be a solution to the many future challenges that the post office network will face. However, it is absolutely crucial because it will provide the extra breathing space that will allow all the extra work that needs to be done to bring in extra services, including the various new services. Some are ready, but a lot more work needs to be done on others.

We will therefore need time, and if the POCA 2 contract does not go to the Post Office, we all know that that will be the end of at least 3,000 post offices, not just in rural areas but in areas such as mine. I and my local community worked very hard to save a sub-post office in Lambeth walk from closure under the recent changes. It was such a vital thing to save that everybody put in a huge amount of work to make sure that that happened. There is absolutely no doubt: if that post office does not have the card account, it will close. I cannot understand how any common-sense Government or politician could not want to do everything that they could to keep the contract with the Post Office.

I remind those who go on about bank accounts that although some of our older people perhaps now have bank accounts, they still want their Post Office card account. Many pensioners in my constituency would not dream of having a bank account. The POCA and the cash that they get out is very much part of their budgeting process—they know that they are getting the money at a particular time on a particular day, they know how they are going to spend it and they know that they will get it again the following week. No bank account will give them that feeling that they have their albeit limited cash; they want to have access to that cash on their terms.

I know that many hon. Members from all parts of the House want to speak, so I shall merely add that the Government should not go around saying that the only way in which we will save the post offices—this is almost being used as a blackmail—is through identity cards. I am determined to do everything I can to prevent ID cards from being introduced in this country. Even if they were the only way to save the Post Office, I would not support them. It is a pity that reference is made to them in the Government amendment.

The Government should not have tendered in the first place, but when they did so, they should have ensured that all the parts associated with the tendering showed that this was a public service, that it had a social benefit and that it did all the things that my hon. Friends have mentioned tonight. Let us hope that tonight's debate will be the last time that we have to debate this and that the Government see the sense of what we are saying—I do not care how they do it. The country—not just politicians—will not forgive any Government who allow this service of value to the Post Office to be taken away from it. We have to keep the POCA with the Post Office.

9.26 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Perhaps I should declare an interest, because my sister runs a sub-post office in the village of Eglwysbach, where she also has a small shop.

I pay tribute to my hon. Friend the Member for Angus (Mr. Weir), who has done a lot of hard work on the Select Committee on Business and Enterprise. I fully endorse everything that the Committee said in the report that it published today and also what the hon. Member for Vauxhall (Kate Hoey) had to say. It just goes to show that there is all-party support on this matter. I speak for Plaid Cymru and the Scottish National party, and for members of the Labour, Conservative and Liberal parties—we are all agreed on this matter. There is a huge amount of feeling on it, and for good reason: the Post Office is a brand that we have all trusted and that we all know to be honest and forthright, and we need to maintain it at all costs.

As has been said, hon. Members have bank accounts and can make choices, but others cannot do so. For example, there are 4,480 Post Office card accounts in my constituency, 8,000 in Clwyd, South—in north Wales—7,500 in Caernarfon and 8,140 in Ynys Môn. Those are big figures for small rural constituencies. It has been pointed out that losing the POCA would be a disaster for rural areas. My home village of Llanuwchllyn near Bala—the name will be a challenge for some—has one shop, which is a sub-post office. It will be lost and we will lose the only outlet in our village. There is a social side to this. Some of us have cars, but others do not and they will have to rely on relatively expensive public transport to travel five miles to the nearest town just to get the basics of life. That is unfair and we can reverse that situation. The Post Office needs some breathing space to enable it to do this work—we need this card account to remain where it is. I, for one, cannot understand what possible benefit will ensue if it is sent to a private concern.

Peter Luff: Does the hon. Gentleman agree that, in a sense, we are trying to save the Government from themselves? The access criteria will guarantee only 7,500 post offices, but on 24 January 2007, when the then Secretary of State for Trade and Industry, now the Chancellor of the Exchequer, came before our Committee, he said that

"if you do not have about 12,000-odd post offices you will not get the national network that we need".

We are trying to save the Government and ensure that they get what they say they want.

Mr. Llwyd: That is absolutely right. The Chairman of the Select Committee knows everything about this subject—perhaps not everything, but he knows a lot about it, and more than I do.

The other point that was made earlier related to the effect on other local businesses, and we need to consider that telling fact. We have bandied a lot of figures around this evening, but it is crucial that we maintain and develop this network for the future. We have seen double standards on this issue—Cabinet Ministers are voting for the closure programme but are then protesting vocally in their own constituencies. I will not call that anything stronger than double standards—there are other words, but I would probably be ruled out of order if I used them. If POCA 2 is not awarded to the Post Office, I believe that the situation will get quite near to being hypocritical. I hope that we will not see that act of betrayal towards those hard-working men and women who run the sub-post offices—often for long hours and little return. Yes, they are economic enterprises, but they also offer an important social service.

I asked the Secretary of State earlier about the access criteria and the tendering process. The point that I made about the Welsh Language Act 1993 was simply that the Act would cover the public delivery of a public service. If a private concern were to deliver the service, it would not be covered. The tens of thousands of people in Wales who would wish to access services in the medium of Welsh, as they do currently, will undoubtedly be denied. There will be no legitimate expectation that the organisation running POCA 2 should deliver that service. That is extremely important. If the Welsh language is undermined, there will be huge repercussions, not just in this place but in the National Assembly and elsewhere. Acts of Parliament in this place have been made to secure the future of the Welsh Language Act. This move will undermine it, and it is wrong.

There has been a huge amount of agreement on both sides of the Chamber this evening. I hope that Ministers will listen, as we have all put aside our political badges. We are all concerned about the future of our network. In those circumstances, I hope that we can have a positive announcement shortly to put many people out of what appears to be their misery as they worry about the future.

9.31 pm

Andrew Stunell (Hazel Grove) (LD): There is a glint of light in this debate, through the smoke and mirrors, from those on the Government Front Bench. They seem to have moved from hostility to uncertainty, and surely that is good as far as the card account is concerned. The right hon. Member for Manchester, Gorton (Sir Gerald Kaufman), with his customary disingenuousness, suggested that the card account had been introduced by Labour along the lines of the national health service—as a miracle cure. May I remind the House that Labour brought the account forward with the greatest reluctance, because it was compelled to do so by the pressure in this House and in the country?

As soon as the account was introduced, a series of bullying and inaccurate letters were sent to anyone who dared to apply for one, telling them to do something else. Of course, if that did not work, that letter would be followed up with a telephone call. I know that, because I have the letters and because my wife received the telephone calls. However, there was still massive take-up. Some 4 million took out the card accounts. Even this year—it might have been a clerical error, but it was an extraordinarily consistent clerical error—another letter went out, once again telling people that the card account was going to stop and that they should make alternative arrangements.

Despite all that, in the borough of Stockport, 18,000 people are on the card account—5,000 in my constituency. I want to tell the Minister and the Secretary of State that the nine post offices that they have left me with get, between them, about £30,000 a year of income from their handling of those accounts. That is equivalent to 50 per cent. of their business rate. If the Secretary of State takes that away from them, he will be putting a 50 per cent. hike on their business rate. They will go down. Whatever might be said about a move from hostility to uncertainty, that uncertainty is itself no help.

The Secretary of State quoted from a letter that he had received from Mr. Thomson of the National Federation of SubPostmasters. However, he did not quote some of the other parts of that letter, including the phrase

"uncertainty over the POCA is destroying subpostmasters' confidence."

The Government face a doubled-edged problem.

Since the card was introduced in 2003, my constituents who have card accounts have resisted every threat and blandishment to switch to private sector retail banking. During most of that time, banks were the UK's totemic success story, yet still my constituents did not want to switch. Some could not switch because they did not have the necessary credit rating. Many are unable to switch, because of mobility or disability problems, and for some of the other reasons that have been given already. Now that banks have never been more distrusted or reviled or more in disgrace, along come the Government, telling my constituents, "Leave the safe haven of a simple public sector system based on your local post office and put your trust in a nice big bright shiny bank where you can make a small contribution to a fat cat's big bonus".

The other edge of the problem is the banks themselves. I shall briefly mention two cases. The first concerns a constituent who has recently had a stroke and can no longer write his signature with his right hand. He wants to cancel his account but the bank will not accept the cancellation because his signature is wrong. What sort of bank will not cancel a card because a signature is wrong? My constituent was told that he could get power of attorney. Brilliant. It is not his mind that has gone, but his handwriting.

The second story is about an elderly lady who moved to live with her family and tried to switch money from her savings account to her current account in the bank she has used for 45 years. She was refused because she has a new address, is not on the electoral roll and has no utility bills, so the bank thought she might be a money launderer.

I have to tell Ministers and the Secretary of State that it is not just that my constituents do not want the retail banking sector—the retail banking sector does not want them. It is ironic that while UK banks went broke lending billions, perhaps trillions, of pounds to sub-prime citizens of the United States of America, a United States bank—Citibank—will be moving in to pick up the sub-prime accounts of my constituents via POCA 2.

In 1999, a revolt in the House forced the Government to set up POCA. In 2006, when the Government said the account would be cancelled, a second revolt forced them to continue it. We need a third revolt to make

[Andrew Stunell]

POCA permanent. The quality of life and convenience of POCA users must be maintained. The quality of our communities must be maintained. Retaining POCA is the way to do it.

9.37 pm

Mr. Edward Timpson (Crewe and Nantwich) (Con): I am grateful for this short opportunity to speak in an important debate on an issue that is so long-running that a positive outcome for the postal service and postal workers seems more distant by the day. The sooner we have a conclusion to this fiasco, the better.

The context and backdrop for the debate is the Government's long overdue decision on the Post Office card account. In 1999, there were 25 post offices in Crewe and Nantwich; we now have 11. A large swathe of the south of Crewe has no post office at all. The town of Nantwich, with a population of 12,000, now has only one post office. We need to remember that backdrop when we look at the future of the Post Office card account.

Why have the Government decided that the postal system is so unfit for purpose that they are considering trying to clip its wings even more? They claim support for the Post Office card account in their amendment, yet all the while they are encouraging customers to bank elsewhere. They seem either unwilling or unable to tell us who will run the second phase of the Post Office card account. I suspect that when they had the opportunity to make that decision in May they decided to put it off for other reasons.

The card account is only the tip of the iceberg; other services are being stealthily withdrawn from the sub-postmaster's realm. We have heard about tax discs, and that renewal reminders do not even point out that the service is available at the post office.

In my discussions with members of the Communication Workers Union in Crewe, I have been told that confusion still remains about the Government's policy on the Royal Mail, so this evening provides an opportunity for the Minister to clarify exactly what the Government see as the future role of the Post Office and whether the Post Office card account will be there to safeguard the future of those people. On behalf of my constituents, I therefore urge the Government to take a step back, to halt the post office closure scheme and the sorting office closure schemes, of which Crewe is a victim, and to sit down with the CWU to discuss a manageable and national strategy for the Royal Mail, rather than trying to dismantle it piecemeal. We need to review what services community hubs could offer people, rather than just taking them away, and to renew the Post Office card account to ensure that the Post Office has a safeguarded future. At the moment in Crewe and Nantwich, it really does seem that the Government are only there to take things away.

9.40 pm

John Thurso (Caithness, Sutherland and Easter Ross) (LD): This has been a good and timely debate, and I hope it has served to make clear to the Government the strength of feeling on both sides of the House and how much all hon. Members value their post offices and the part that the Post Office card account plays in maintaining their post offices and their footfall. Indeed, even the Secretary of State made that point.

My hon. Friend the Member for Cardiff, Central (Jenny Willott) made an eloquent case in opening the debate. She was generous in taking interventions, which allowed many hon. Members who were not able to take part in the debate to make a point. She went straight to the heart of the matter: whether the Government should be allowed to kill the Post Office by slow stages or whether the Post Office should be helped to transform into a 21st century service—a point that the Secretary of State failed to address. Indeed, the highlight of his contribution appeared to be to tell us that a purely commercial post office network would consist of only 4,000 post offices. I wonder whether that is actually the DWP's target. However, I welcome the fact that he has promised us a statement, and I hope that it will be the statement that we would all like to hear. I also hope that he will take away from the debate the strength of feeling in the House.

The hon. Member for Chorley (Mr. Hoyle) made the point in a customarily passionate and excellent intervention that we all want the card account. There is no hon. Member on either side of the House who does not want the card account and who does not want it to go to the Post Office. He made the valid, absolutely telling point that that is not because we particularly like the card account, but because our constituents tell us it is what they want and need. He and the hon. Member for Mid-Worcestershire (Peter Luff) have produced an excellent report—succinct and to the point, with very good, albeit not bold, points—that goes to the heart of the matter.

I was glad that the hon. Member for Mid-Worcestershire referred in his report to the work done by the Treasury Committee. Indeed, he quoted extensively from it. When I was serving on the Treasury Committee, we went into this in considerable depth. One of the interesting points was a question that I asked of an official on the comparison of cost between the Post Office card account and other services, and the answer was that it is an apples and pears comparison: the two costs are quite different. We should take that point on board.

The right hon. Member for Manchester, Gorton (Sir Gerald Kaufman), whom I like to think of as a friend if not a right hon. Friend, was his usual self. He made two charges of me. First, he accused me of sending him reams of Focuses, to which I plead not guilty. I think that he knows me well enough to know that that is not my style. Secondly, he accused me of being an opportunist, and I plead guilty. I take every opportunity I can to support my constituents. I took the opportunity before POCA was announced to ask the Government to change their mind about the evisceration of post offices. I took the opportunity to support POCA when the Government did not want to introduce it, and I take the opportunity now to ask the Government to give us POCA 2.

Sir Gerald Kaufman: I certainly regard the hon. Gentleman as a friend for giving way. I was accusing not him of distributing Focuses—they would get lost in his vast constituency—but the hon. Member for Manchester, Withington (Mr. Leech), who remains absent from this debate, as he has from the entire debate, as we shall make clear in Manchester.

John Thurso: I shall remain as free with my remarks as the right hon. Gentleman is with his.

We heard two excellent Liberal Democrat Back-Bench contributions from my hon. Friends the Members for Leeds, North-West (Greg Mulholland) and for Hazel Grove (Andrew Stunell). They made it clear why hon. Members on both sides of the House feel so passionately that Post Office card accounts should be allowed to continue for a second generation.

We want post offices not simply because we want post offices, but because they are economically valuable and provide a social good. As many Members have said, in rural parts of the world, post offices are the only place where many services are available. I will not bore the House with a recitation of the small villages in north-west Sutherland or the middle of Caithness that would have no opportunities if POCA 2 were not given to the Post Office.

There is an opportunity here for the Post Office. In all my discussions with representatives of the post offices—the sub-postmasters—they say that they want post offices to transform. They want to provide a 21st century post office that can be profitable. However, they need the breathing space to get from here to there. That is what is absolutely critical about the award of POCA 2. Indeed, sub-postmasters have very good plans to make the post office a post bank—plans that I think many Members present would support.

There is another point that we should take on board. The Department for Work and Pensions has been closing offices left, right and centre, including in my constituency. People now have to travel for three hours, in places where there is no public transport, to attend a face-to-face interview. They have grave difficulties, and I could tell many stories about that. Post offices and sub-post offices are operated by literate, numerate, intelligent people. Why not use them as the front line for the delivery of services to the citizen? Why not give allow them to help fill in forms and explain matters? For a very modest cost to the Department, there would be a massive increase in the quality of service. People would not be forced to spend many hours on the telephone to Clydebank, and would not end up with the wrong answer at the end of it all.

At the heart of this debate are the needs and desires of some of the most vulnerable in our society, including pensioners, the unbanked—financial inclusion is an important point that has been brought up—the disabled and all those on benefit. They trust their local post office to help them. "Trust" is a word that has come out in many contributions this evening. The Post Office, postmasters and postmistresses are trusted. It is that human contact that is missing, but that is so important to many people. Our constituents do not want to spend hours on a telephone, only to be given the wrong answer, or put on to another department when they finally get through.

Our constituents value and want to maintain their post offices. They do not trust banks, and they have proved to be absolutely right in that. However, they do trust the Post Office. The replacement card account contract is wanted by the customers, our constituents. It is vital to the future of the network and supported by the vast majority of Members on both sides of the House. The Government have been overseeing the systematic removal of business from the post offices, and it is time to stop. It is time to support the Post Office and allow it to adapt to the 21st century. For that, Post Office card account 2 is needed, and needed by the Post Office.

9.49 pm

The Minister of State, Department for Work and Pensions (Ms Rosie Winterton): This has been a passionate debate about an extremely important issue that affects all right hon. and hon. Members, wherever we are from and whatever party or constituency we represent.

As many right hon. and hon. Members said in the debate, the post office is a treasured and essential cornerstone of local communities throughout the United Kingdom, it is trusted and understood in ways that other services are not and it is not to be treated as a purely commercial service. I assure the House that decisions about the Post Office will be taken respecting that unique situation and focusing on the importance of our post offices to the lives of the many millions of our constituents who use them every day.

Many Members have spoken this evening, and I shall endeavour to respond to their contributions as time allows, but I begin by explaining why the Government disagree with the Liberal Democrats and why I urge the House to support the Government's amendment. First, the Liberal Democrats state that the Department for Work and Pensions has written to all Post Office card account holders informing them that the contract will end. That is not the case. We have not written to POCA holders saying that.

Secondly, the Liberals contend that we have instructed people to switch out of their Post Office card accounts. That is not the case. On the contrary, we are opening 12,500 accounts every month. We have written to customers who are paid by cheque and encouraged them to move to payment into an account, including those that can be used at a post office, for the simple reasons that it is more secure for the customer, it reduces fraud and it is more efficient. We will provide a successor to cheques—a better and safer product that will be easier for people to operate; but, there will be no compulsion on people using cheques, and there are certainly no instructions as the Liberal Democrats have suggested. As my right hon. Friend the Secretary of State made clear earlier, however, we have changed the leaflet referred to, listing the Post Office card account alongside other bank accounts that are available at Post Office branches.

Kate Hoey: The Minister says that that aspect of the Liberal Democrat motion is not true, but what is it about some staff who, whatever is said on paper, seem in telephone calls and in other ways to make it clear that they do not want people to have a Post Office card account?

Ms Winterton: My hon. Friend makes an important point—that it is right that our communications are clear, particularly from staff. Obviously, we need to take that into account.

The hon. Members for Cardiff, Central (Jenny Willott) and for Caithness, Sutherland and Easter Ross (John Thurso) made several points setting out their case, many of which my right hon. Friend the Secretary of State addressed. However, I want to take this opportunity

[Ms Rosie Winterton]

to clarify that it was the BBC, not the Government, that decided that the contract for the licence fee should not go the Post Office.

Mr. Hoyle: I welcome that comment about the BBC. We all know that the BBC was wrong and that it has got to put the situation right, but is my right hon. Friend aware that we need training to ensure that people who answer the phone get across the message that the Post Office card account is open for business and that the Post Office wants to do business? We may need some extra training to ensure that people understand the message that they give out on the phone.

Ms Winterton: My hon. Friend is right to say that training is an important aspect of getting communication right.

The hon. Member for Epsom and Ewell (Chris Grayling) asked what more could be done in terms of services provided. My right hon. Friend the Secretary of State assured my hon. Friend the Member for Chorley (Mr. Hoyle) that he will set up a task group of MPs to work with the Government to identify new business opportunities for the Post Office, and continue to work with the Department for Business, Enterprise and Regulatory Reform.

My right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman), in his usual thoughtful and witty way, set out his support for the Post Office card account and sent out a search party for one of Manchester's other Members. My right hon. Friend emphasised the account's public service element, reminded us that a Labour Government established the account in the first place and pointed to the cynical opportunism of the Liberal Democrats.

In a speech that reflected the depth of his understanding of the issue, particularly following his Committee's report, the hon. Member for Mid-Worcestershire (Peter Luff) made intriguing comments about better ways of attacking the Conservative party. Frankly, we have enough to go on at the moment, but we certainly look forward to more advice from the hon. Gentleman in that regard. At least he said that it was necessary to subsidise the Post Office; his party's Front Benchers refuse to commit to that.

My hon. Friend the Member for Vauxhall (Kate Hoey) spoke of the work of the all-party group on sub-post offices and the role of sub-postmasters. The hon. Members for Hazel Grove (Andrew Stunell) and for Crewe and Nantwich (Mr. Timpson) spoke of their constituents' concerns about access, and the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) talked about the Welsh language.

My hon. Friend the Member for Chorley spoke powerfully about the opportunism of the Liberal Democrats. He referred to the task group that the Secretary of State has agreed to set up and thanked the Secretary of State for the assurance that we will do all we can to ensure that we advertise the Post Office card account effectively. I reiterate that assurance.

The hon. Member for Leeds, North-West (Greg Mulholland) said that Labour Members did not understand Liberal Democrat policy on the matter being discussed—but who on earth does? The only thing that the Liberal Democrats have managed tonight is to make off with the early-day motion tabled by my hon. Friend the Member for Chorley, without even asking his permission.

The Post Office has been transformed since 1997 and offers far more than it ever did when the Conservatives were in power. As the Government amendment states, the Post Office is the largest provider of foreign exchange and one of the largest providers of travel insurance in the UK. It also provides car insurance, telephone services, driving licence processing and passport application services. The current Post Office card account has played a key role in helping people make the move from having their payments made by order book to using a simple electronic account. About a fifth of Department for Work and Pensions customers use the account. Every week, nearly 4 million people use the Post Office card to collect their pensions, benefits or tax credit in cash at post offices.

As the Secretary of State made clear at the start of the debate, we will make an announcement about the Post Office card account at the earliest opportunity. Our objective is clear: to maintain the Post Office's role while facing up to change. That is the responsible thing to do.

I come back to the fundamental point made clear by the Secretary of State. The Post Office is essential as far more than a purely commercial service; it touches the lives of millions across the UK. That is why we have subsidised the Post Office by more than £2 billion since 1997 and why we have announced that we will spend another £1.7 billion until 2011. We have made the investment because the Post Office plays a valuable role in our society. This Labour Government will ensure that the Post Office continues to pay its unique role in British—

Mr. Paul Burstow (Sutton and Cheam) (LD) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 240, Noes 278.

Division No. 313] **[9.59 pm**

AYES

Afriyie, Adam	Bottomley, Peter
Alexander, Danny	Brady, Mr. Graham
Amess, Mr. David	Brake, Tom
Arbuthnot, rh Mr. James	Brazier, Mr. Julian
Atkinson, Mr. Peter	Breed, Mr. Colin
Bacon, Mr. Richard	Brokenshire, James
Baker, Norman	Brooke, Annette
Baldry, Tony	Browne, Mr. Jeremy
Barker, Gregory	Browning, Angela
Baron, Mr. John	Bruce, rh Malcolm
Barrett, John	Burns, Mr. Simon
Beith, rh Sir Alan	Burrowes, Mr. David
Bellingham, Mr. Henry	Burstow, Mr. Paul
Benyon, Mr. Richard	Burt, Alistair
Bercow, John	Burt, Lorely
Beresford, Sir Paul	Butterfill, Sir John
Binley, Mr. Brian	Campbell, rh Sir Menzies
Blunt, Mr. Crispin	Carmichael, Mr. Alistair
Bone, Mr. Peter	Carswell, Mr. Douglas

Cash, Mr. William
Clark, Greg
Clark, Ms Katy
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Opik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Alan
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Paul Rowen and Richard Younger-Ross

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank

Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Taylor, Ms Dari
Taylor, David
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Ian Lucas and
Steve McCabe

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 279, Noes 232.

Division No. 314] **[10.16 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael

Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Taylor, Ms Dari
Taylor, David
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Ian Lucas and Steve McCabe

NOES

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*

Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Mr. Ivan
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mason, John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Opik, Lembit
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Paul Rowen and
Richard Younger-Ross

Question accordingly agreed to.

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes the importance of the services offered by the Post Office to local communities; further notes that the Government has worked with the Post Office to make available services such as its own banking and financial services and access to high street banks' basic accounts; further notes that the Post Office is now the largest provider of foreign exchange in the UK and amongst the largest suppliers of travel insurance, car insurance and telephone services; further notes the potential for future ID management business for the Post Office for passports, driving licences and ID cards; welcomes the commitment of the Government to provide £1.7 billion of support up to 2011 to maintain a national post office network and access to Post Office products, in contrast to no subsidy before 1997; further notes the importance of the Post Office card account in helping people to access basic banking services; welcomes the decision to offer this type of product beyond 2010; further notes that this product is currently out to tender; and believes that people should be aware of the Post Office card account product alongside other methods of payment.

DELEGATED LEGISLATION

Mr. Speaker: With the leave of the House, I shall put motions 4 to 15 together.

Simon Hughes (North Southwark and Bermondsey) (LD): On a point of order, Mr. Speaker. It may be helpful if I make it clear now that we wish to object to motion 12.

Mr. Speaker: In that case, let me handle it another way. With the leave of the House, I shall put motions 4 to 11 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

OFFICIAL STATISTICS

That the draft Pre-release Access to Official Statistics Order 2008, which was laid before this House on 21st July, be approved.

CIVIL AVIATION

That the draft Air Navigation (Environmental Standards for Non-EASA Aircraft) Order 2008, which was laid before this House on 6th October, be approved.

INDUSTRIAL ORGANISATION AND DEVELOPMENT

That the draft Wool Textile Industry (Export Promotion Levy) (Revocation) Order 2008, which was laid before this House on 6th October, be approved.

SOCIAL SECURITY

That the draft Social Security (Lone Parents and Miscellaneous Amendments) Regulations 2008, which were laid before this House on 6th October, be approved.

TRIBUNALS AND INQUIRIES

That the draft Judicial Appointments Order 2008, which was laid before this House on 6th October, be approved.

IMMIGRATION

That the draft Immigration and Nationality (Fees) (Amendment No. 3) Regulations 2008, which were laid before this House on 6th October, be approved.

DISABLED PERSONS

That the draft Rail Vehicle Accessibility Exemption Orders (Parliamentary Procedures) Regulations 2008, which were laid before this House on 9th October, be approved.

That the draft Rail Vehicle Accessibility (London Underground Victoria Line 09TS Vehicles) Exemption Order 2008, which was laid before this House on 9th October, be approved.—*[Ms Butler.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees).

DANGEROUS DRUGS

That the draft Misuse of Drugs Act 1971 (Amendment) Order 2008, which was laid before this House on 13th October, be approved.—*[Ms Butler.]*

Mr. Speaker: I think the Ayes have it.

Hon. Members: No.

Division deferred till Wednesday 12 November, pursuant to Standing Order No. 41A (Deferred divisions).

Mr. Speaker: With the leave of the House, I shall put motions 13 and 14 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees).

CHILDREN AND YOUNG PERSONS

That the draft Safeguarding Vulnerable Groups Act 2006 (Prescribed Criteria) (Foreign Offences) Order 2008, which was laid before this House on 15th October, be approved.

That the draft Safeguarding Vulnerable Groups Act 2006 (Transitory Provisions) Order 2008, which was laid before this House on 15th October, be approved. —*[Ms Butler.]*

Question agreed to.

REGULATORY REFORM

Motion made, and Question put forthwith, pursuant to Standing Order No. 18(1) (Consideration of draft regulatory reform orders).

That the draft Legislative Reform (Lloyd's) Order 2008, which was laid before this House on 17th July, be approved. —*[Ms Butler.]*

Question agreed to.

EUROPEAN DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Committees).

FACING THE CHALLENGE OF HIGHER OIL PRICES

That this House takes note of European Union Document No. 10824/08, Commission Communication on Facing the Challenge of Higher Oil Prices; and welcomes the Government's support for appropriate action at the European level, where this would be effective in furthering energy efficiency, security of supply and the development of a liberalised energy market within the Union, and the Government's own response to higher oil prices, in particular the Global Energy Initiative.—*[Ms Butler.]*

Question agreed to.

NORTHERN IRELAND AFFAIRS

Ordered,

That Mr Gregory Campbell and Sammy Wilson be discharged from the Northern Ireland Affairs Committee and David Simpson and Mrs Iris Robinson be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

TRANSPORT

Ordered,

That David Simpson be discharged from the Transport Committee and Sammy Wilson be added. —*[Rosemary McKenna, on behalf of the Committee of Selection.]*

PETITIONS

Health (Asbestosis and Mesothelioma)

10.31 pm

Mr. Don Touhig (Islwyn) (Lab/Co-op): I rise to present a petition on behalf of almost 600 of my constituents who call on the Government to reverse the House of Lords' decision that pleural plaques is not a disease and sufferers do not qualify for compensation. The petition has been collected through the hard work of my constituent, Mr. Brian Prosser.

The petition states:

The Petition of residents of Islwyn, and others,

Declares that on October 17 2007 the House of Lords ruled that pleural plaques, scar tissue on the lungs which can be an early indication of asbestosis and mesothelioma, is not a disease and sufferers would not qualify for compensation; and further declares that the Petitioners do not agree with the decision of the House of Lords.

The Petitioners therefore request that the House of Commons urges the Government to seek to reverse the House of Lords decision and introduce legislation that allows sufferers to be eligible for compensation.

And the Petitioners remain, etc.

[P000282]

Universities (Cumbria)

10.32 pm

Tim Farron (Westmorland and Lonsdale) (LD): I rise to present a petition on behalf of the residents of Cumbria, and particularly those of the town of Ambleside and surrounding villages.

The petition states:

The Petition of residents of Cumbria and others,

Declares that the proposed closure of the University of Cumbria's Ambleside Campus to undergraduate students in 2012 would be a huge blow to the town of Ambleside and would remove opportunities from future generations of students.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Innovation, Universities and Skills to place pressure on the University of Cumbria to ensure the viability of Ambleside Campus for all students and to scrap the plans for its closure to undergraduate students.

And the Petitioners remain, etc.

[P000283]

Traffic Management (Essex)

10.33 pm

Bob Spink (Castle Point) (UKIP): School access and parking are perennial problems for MPs to deal with, and they require careful and considerate action from councils to ensure that children are safe and local residents are not unnecessarily or unreasonably inconvenienced. In this case, although residents approached the council for help with traffic management in New Park road many months ago, nothing has yet been done. There is a consultation on yellow lines outside the school, but I urge the authorities to make appropriate changes to relieve New Park road and to help the many excellent residents who have sent this petition to me.

The petition states:

The Petition of Christopher Rankin, residents of New Park Road, Benfleet and others,

Declares that access arrangements for Appleton School currently cause great inconvenience to residents and pose a danger to school children and the wider community since New Park Road is totally unsuitable for large volumes of traffic and commercial vehicles which cause safety concerns for the children who use it and cause unacceptable vibrations, adverse noise and other pollutants reducing the quality of life for residents.

The Petitioners therefore request that the House of Commons urges the Government to change advice given on access to schools to take greater account of the needs of residents, and does urge Castle Point borough council and the Highways Authority to design a more appropriate traffic management system to protect the quality of life of all residents.

And the Petitioners remain, etc.

[P000284]

Gloucester City Football Club

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Butler.]*

10.34 pm

Mr. Parmjit Dhanda (Gloucester) (Lab): It is a real honour to speak in this Chamber on behalf of my constituents and my local football team, Gloucester City football club. The team has 125 years of history and tradition—roughly the same as Tottenham Hotspur. Earlier this season, much was made of Tottenham being in crisis, before Harry "Houdini" Redknapp turned up and sorted out their problems. I must say that if Tottenham Hotspur think they have problems, they should see what it is like non-league, at the grass roots, where clubs really do have major difficulties to overcome. Gloucester City have had major difficulties to overcome, not least those brought about by the floods of 2007.

As I said, the club has 125 years of history. It came into being in March 1883, and one of Gloucestershire's most famous sons refereed the opening game—a certain W.G. Grace. He was famous for playing cricket, but he refereed that game all those years ago. We have had many ups and downs over the years. In the mid-1980s—1986, to be precise—we moved to Meadow Park, in the Gloucester docks area. In the 1980s we also hosted Wealdstone, who had quite an effective young left back by the name of Stuart Pearce. We do not know what happened to him since, but we went on to have some great seasons in the 1990s. West Ham United fans will recall a player by the name of Leroy Rosenior, who was our player-manager. In 1996-97, we had a particularly good season, with a great cup run. Come the very last game of the season, we were on the edge of promotion. We got the wrong result and unfortunately, Cheltenham Town got the right result for them. They went up.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op) *rose—*

Mr. Dhanda: I give way to the Cheltenham Town fan.

Mr. Bailey: I thank my hon. Friend for giving way. As he said, I have to own up to being a season ticket holder and lifelong supporter of the arch-rivals of Gloucester City, Cheltenham Town. I offer my hon. Friend my support, as a Cheltenham supporter. I remember going, long before he was even thought of, to the old Longlevens ground to watch Cheltenham play Gloucester, and then of course to Horton road and, more recently, Meadow Park. The loss of the football ground has deprived Gloucestershire of one of the key highlights of the football season: the annual Cheltenham versus Gloucester game. A new ground would give them a tremendous boost, so that they might rise up the leagues and play us on equal terms again.

Mr. Dhanda: I appreciate the comments of my hon. Friend, who is probably the most famous Cheltenham Town fan in Parliament. He is right: the local rivalry is important, although in recent years the clubs have worked very well together. We have also learned something very important from the fact that Cheltenham have been successful and have got into the Football League. Ours is the largest area in the country that does not have a professional team in the Football League, which just

goes to show that we have a real opportunity and real possibilities. At the minute, we have a very young and effective team that is doing well, pushing for promotion and full of local lads. We have real cause to be ambitious in terms of what we are doing on the ground.

Along came that day in July 2007—22 July. Local people will be well aware of the famous picture of Meadow Park 8 ft under water. All that could be seen was the top of the crossbars. It was impossible for us to return to Meadow Park, and we have not played in Gloucester since—for the last 15 months. That was the third time that the ground had flooded in 21 years, which makes Meadow Park uninsurable, so we cannot go back there. There could be serious rainfall and flooding, and if we wanted to play there again it would cost nearly £100,000 to get back in and repair the damage caused by the last set of floods.

We have been beavering away in the southern premier league. Even though we are playing a long way outside Gloucester, we have the largest away support of any team in our division. That shows the devotion of our fans. Last season, we played in the constituency of my hon. Friend the Member for Stroud (Mr. Drew), at Forest Green. We are very grateful to Forest Green for letting us play there last season, although at a price. This season, we are playing our games in Cirencester, at the home of Cirencester Town. For myself and all other Gloucester City fans, that means a 40-mile round trip to see our local team play a home game, and that is not an acceptable situation for us to be in 15 months after the floods.

I pay tribute to those involved in running the club. They have kept it afloat—pardon the pun—and alive despite all the difficulties that they have had to face. In particular, I am thinking of someone whom I am proud to say has become a good friend—we spend a lot of time together of late—the chairman, Dave Phillips; Phil Warren, the club's historian and the chair of the supporters trust; Mike Dunstan, the club's press officer; and Tim Harris, the general manager. All of them have made the journey up to London to witness tonight's debate, and that shows their level of devotion. I also pay tribute to Eamonn McGurk, the club's biggest shareholder, who has had to bail it out on many occasions. Most importantly, I should mention the volunteers who muck in week in, week out to help to keep our local team ticking over.

This debate is a very important occasion for us, and I know that a lot of people in Gloucester will be watching it at home, so it would be remiss of me not to take the opportunity to put a few requests to the Minister. The Football Foundation has been a good friend to my constituency. I play whenever I can; on Thursday nights, I have a kick-about with the reserve team at Abbeymead Rovers. The club has a wonderful new third-generation Astroturf pitch, laid in no small part thanks to the Football Foundation, which has put hundreds of thousands of pounds into that project in Abbeydale. It has also invested a similar sum in a project supporting Quedgeley Wanderers, in the south of my constituency, providing new changing facilities. The Football Foundation is a wonderful organisation that does good work, but I must make it clear that if Gloucester City is to survive as a club, given that it has little resource and has fallen on hard times through no fault of its own—the fault lies with the flooding—we will need the Football Foundation to step in, support us, probably to the tune of millions of pounds, and help us to find a stadium back in the city.

Throughout the flooding, Gloucester City football club was frank in putting its concerns to one side and saying, "This is about people's lives and about properties." But 15 months have passed and people's lives are moving on. We are heading into an economic downturn, but at times like this people rely on their local sporting institutions more than ever. A thriving football club with our catchment area and our young players, back in the heart of the city of Gloucester, could make an economic difference to our city. What can the Minister do to support us? The Football Foundation has been very helpful in the past, so if she can help to engage it with me, with the club and with our local authorities, that will make a difference.

I had not planned to talk about specific options tonight, but having spoken to the club, and as the Minister is in her place, I shall briefly mention the two most likely ones for a return, because she could help us on this matter. The first option is to return to Meadow Park. The ground would require a lot of work in order for it to be insurable again. The level of the ground would probably have to be raised, the pitch might even need to be rotated through 180° and new channels might have to be found to release the water. We might even need to take mitigating measures so that other floodplain is available, because we do not want properties to be flooded as a result of raising the pitch level. Thus, an involved, thorough and quick piece of work needs to be done by the Environment Agency. The club has to play this season and the following one at Cirencester Town's ground, so we need a quick solution to give the fans hope for the future that they deserve. Any help that the Minister can give me in engaging the Environment Agency in a possible return to Meadow Park is one avenue that could be taken. That approach may not be possible, because returning may be far too complicated.

There is another good, strong possibility. Last week, I met the leaders of Gloucester city council. A couple of weeks ago, I met the leaders of Gloucestershire county council. This is not about politics. Across political lines, I have heard only good things from the leaders of both councils, who tell me that they are keen to work with the club and to bring it home as quickly as possible. I viewed another site last Friday, which was Blackbridge playing fields—a 20 to 30 acre site in the heart of my constituency, which is owned by Gloucestershire county council.

I look forward to engaging with the council on the possibility of bringing Gloucester City home to the Blackbridge site. We would not need the whole site; a small corner of the site could offer the strong possibility of a modest stadium, a clubhouse and some car parking. It would take only a 50 yd road—at most a 100 yd road—from Stroud road, which is one of the busy roads in my constituency, to the ground in a parcel of that land. It stands alongside a strip owned by Network Rail, so I encourage my hon. Friend the Minister to work with me and with local agencies to involve Network Rail in any possible dialogue to speed along any solution for the club at the Blackbridge playing fields.

I am encouraged, as I say, by the contact that I have had with Gloucestershire county council and Gloucester city council. I believe that the time could well be right now to work together to bring one of the two solutions

[Mr. Dhanda]

to the fore, to find a strong business case to present and to work with the Football Foundation to bring the club home.

Our sporting institutions play a big role in our lives. They certainly play a big role in the life of my constituency.

Mr. David Drew (Stroud) (Lab/Co-op): I thank my hon. Friend for his recognition that we hosted Gloucester City last year. Does he agree that one problem in a county such as Gloucestershire is that we have historically had very good football, rugby and cricket, but our facilities have not moved on? The rugby club, as he knows better than I do, has had a difficult job in developing a new stadium. We need outside help, because every area is looking to renew and regenerate. It is about time we did that in Gloucestershire.

Mr. Dhanda: I am grateful to my hon. Friend for that, not least because he reminds me that there are far greater implications for the community, too. Gloucester City have 120 people involved in their youth teams. A further 100 are involved in coaching and working with young women, too. To have a modern site, albeit a modest one, in the heart of my constituency would make a real difference to all the local communities.

Just a couple of weeks ago, I was with local fans at a fundraiser for the club. One activist there—a diehard fan by the name of Nigel Hughes—came up to me. He has recently been widowed; he lost his wife just a few weeks ago. He said, "Parmjit, right now at this time in my life, this football club means more to me than you could ever imagine." I know that many other people in the city of Gloucester feel the same way. They are equally passionate about our local club. For Nigel Hughes' sake, for Beverley Hughes, for all Gloucester City supporters and for the city of Gloucester, I hope that my hon. Friend can help me to work with the local authorities, the Football Foundation and the local club to bring Gloucester City back home where they belong.

10.49 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): I congratulate my hon. Friend the Member for Gloucester (Mr. Dhanda) on securing the debate and I commend him for the passion with which he talks about his football club. A football club is much more than just somewhere to play sport; it is about identity and family, and I am glad that members of a family have been so supportive of my hon. Friend and that he in turn has been so supportive of them.

I know from my Stevenage constituency what a difference a regenerated football club has made both to the town's whole ethos and to its economy. Clubs perform a function in the economy. Gloucester City should be proud of my hon. Friend and of the work he is doing for his constituents and the communities who support the club.

A key element in helping to deliver the Government's commitments to sport, about which I shall say more in a moment, is to ensure that communities across the country have a wide range of good provision, which in turn encourages them to participate more and to lead healthier lives. Not only does sport reduce the chances of ill health; it can also improve skills and confidence—something we badly need at present—enhance social networks and strengthen social cohesion. As my hon. Friend has demonstrated, the power of sport goes way beyond the pitch, court or track, and Gloucester City football club is a wonderful example of that power.

Only last week in the House, my right hon. Friend the Secretary of State for Culture, Media and Sport spoke about the Government's key legacy goals for sport, which include creating a world-leading community sports system and getting 1 million more people playing sport. Our goal builds on significant investment in sport over recent years, particularly in facilities. Since 2001, more than £1 billion has been committed to develop new or refurbished facilities through a mix of Exchequer and lottery funding. In total, 4,000 new or refurbished sports facilities are being supported by Government funding programmes. It is clear that the investment is paying off; in the last decade, 65 per cent. of the nation's facilities stock has been either rebuilt or refurbished.

We have also taken steps to protect places where sport is played, specifically playing fields. After years of having our playing fields sold off, we now have tough measures to protect them. Sport England is a statutory consultee on all planning applications affecting playing fields, and planning guidance to local authorities is clear: no playing field needed by the community should be removed. All that work has brought us to a position where currently 90 per cent. of the population of England is within 20 minutes' travel time of at least two different facilities for sports that are most in demand by the public. I realise that for Gloucester City there is a 40-mile round trip, so the distance is further in that case.

The Government have provided an unprecedented level of support for sport. However, I stress the fact that local authorities are the main providers of sports and recreation facilities and, as such, are best placed to make decisions about what facilities best meet the needs of the local community. I am glad that my hon. Friend has engaged both the county and the city councils, as I know from my constituency that in the end the solution comes from the council—working with Stevenage borough council we broke through.

Mr. Dhanda: I appreciate what my hon. Friend is saying. She rightly sets out the level of funding for sporting infrastructure. Although she is not the sports Minister, does she feel from her understanding of the situation that it is the sort of project that the Football Foundation should and would want to get behind?

Barbara Follett: That is, of course, a matter for the Football Foundation, but I am sure that, as my hon. Friend has raised the matter tonight in the House, it will take it into account and work with Gloucester city council and the county council, as it has with many other authorities, to ensure that we have the provision in England that we need.

The support that the Government give to local authorities comes mainly through Sport England, which has developed a range of strategic planning tools to assist authorities to modernise their leisure facilities and to ensure that the right facilities are provided in the right locations. That is helping local authorities to identify the gaps and to target resources where they are most needed. Sport England's facilities improvement service is also working

closely with local authorities to improve their strategic planning for community sport locally. Additionally, the unprecedented Government investment through Building Schools for the Future offers a number of unique opportunities to local authorities. The Government therefore expect local authorities to consider how new developments can build on the current and anticipated sporting needs of local communities.

Investment in football is very important. Football is our national game and incredibly popular. However, the peak of the game accounts only for a very small amount of those that are involved in football. As my hon. Friend mentioned, children and young boys and girls are really getting involved at a much lower level. Football authorities recognise the wider impact of the game, especially in the lower leagues and at the grass-roots level. Sport England's active people survey shows that football is as popular an activity in Gloucester as anywhere else in the country.

Football is one of the sports that have submitted a whole sport plan to Sport England for funding from 2009. That includes how it proposes to invest money in facilities to help to develop the sport. It is right that football receives Government funding, as the sport helps to deliver our sporting aims. That is why the Football Foundation, the premier league, the FA and the Government together have invested more than £300 million in football since 2000. That includes £2 million in community projects in my hon. Friend's constituency of Gloucester. Those projects have ranged from a £400 grant awarded to Gloucester City girls football club for new kit right up to a £426,000 grant to Abbeydale Community Association towards the development of its facilities. In addition, the Government have, through Sport England, invested more than £59 million in community football since 2005.

Turning specifically to Gloucester City football club, I should first like to acknowledge and congratulate the club on its 125-year history and on its incredible resilience. Having been flooded out of its ground three times during its history, it is remarkable that it has reached that milestone. I note that my hon. Friend is sporting the club's yellow and black tie; it looks like a bee or a wasp, and they are very tenacious insects.

I was disappointed to learn of the devastating impact that the 2007 floods had on the club's Meadow Park ground. Although all those concerned will have been extremely disappointed about that, I was pleased to note that the football family in Gloucester has come together to help Gloucester City football club find temporary homes, first at Forest Green Rovers football club, and now at Cirencester Town football club.

I know that the club has been working with a range of interested parties, including the city and county council and the Football Association, at national and county level, to identify appropriate sites for a new stadium. My hon. Friend mentioned the names of some of those sites. I encourage the club to continue discussions with those parties, and to consider the options available through the football stadia improvement fund. I am informed that up to £150,000 could be available from that fund for the development of a new ground. I am also advised that up to £100 million—sorry; I wish it was that much. I am advised that up to £1 million of funding could be available through the Football Foundation to support additional facilities. As I understand it, the club has aspirations to develop a community facility. That funding route may be open to it, if its aim is achieved.

I urge the local authorities in Gloucester to undertake a full review of their sports provision, to plan strategically for the future and to consider whether the club's desire for a new stadium could be met through the provision made to meet the sporting facility needs of the local community. I ask my hon. Friend to keep my hon. Friend the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Bradford, South (Mr. Sutcliffe), who has responsibility for sport, informed of progress on the issue. In turn, I will inform my hon. Friend the Under-Secretary of the various options that my hon. Friend the Member for Gloucester is considering.

I wish Gloucester City football club the very best of luck. It is lucky to have my hon. Friend as its constituency Member of Parliament.

Question put and agreed to.

Adjourned accordingly at Eleven o'clock.

House of Commons

Tuesday 11 November 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Middle East

1. **Mr. Richard Spring** (West Suffolk) (Con): What recent assessment he has made of the prospects for peace in the middle east; and if he will make a statement. [234527]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The Annapolis process has been a first step in restoring trust between the parties. We should try to build on it to create a process that can deliver a broader peace, in which all exercise their rights and fulfil their responsibilities. That would be a true settlement between Israel and all Arab states. I hope that it will be given new momentum from the beginning of the new Administration in the United States.

Mr. Spring: Following the Syrian Foreign Minister's recent visit to London, how will the Foreign Secretary develop that specific relationship, especially in encouraging the Syria-Israel dialogue, which Turkey brokered?

David Miliband: The hon. Gentleman makes an important point. First, we will seek to continue to say to the Syrians that they have important responsibilities in the middle east, notably in respect of relations with Iraq and with Lebanon, as well as with Israel, but that they also have much to gain from a comprehensive settlement—the Arab peace initiative provides an important basis for that.

Secondly, I met the Turkish Foreign Minister last Friday. Turkey has brokered the four rounds of peace talks between Syria and Israel, and I urged him to continue his important work. When I am in Israel next week, I shall also urge the Israelis to continue that important track in the peace process.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does my right hon. Friend share my concern that, today, at a rally in Ramallah, President Abbas told the thousands of people gathered there:

"The ways of the shahids"—the martyrs—

"Arafat, Abu Jihad, George Habash and even Sheikh Ahmed Yasin—are the ways we recognise. These are the ways in which we are meant to preserve the national interest of the Palestinian people."

David Miliband: I have not seen that quotation. As soon as Question Time is over, I will try to find out the details. I believe that hon. Members of all parties have felt that President Abbas is, in the words of the Israeli Prime Minister, "a soldier in the army of peace." My hon. Friend has given a striking quotation, and I will investigate it as soon as I am back in the office.

Mr. Michael Ancram (Devizes) (Con): Does the Foreign Secretary genuinely believe that, in the two-state solution, it is possible to negotiate a viable and autonomous Palestine, without involving all the representative elements of the Palestinian people, including Hamas, which has recently said that it envisages a Palestinian state existing alongside an Israel based on the 1967 borders?

David Miliband: The Palestinian people need to be represented by a single authority and a single elected leader, and that is President Abbas, about whom we have just been talking. Hamas has the opportunity to join reconciliation talks under Egyptian auspices. The position that President Abbas outlined is an important signal, but it needs to be followed through. That is the basis on which the Palestinians will get the state that they deserve and need, and that the whole region needs.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that, if we are to get a satisfactory outcome in the middle east, we must engage our European colleagues more energetically? The new Minister for Europe is an energetic colleague. Could not she be sent around Europe banging heads together to get greater involvement on the issue that we are considering and other issues?

David Miliband: My right hon. Friend the Minister for Europe is many things, but a head banger is not the first phrase that comes to mind. I assure my hon. Friend that she has already toured the capitals of Europe, notably, Prague, Sofia and Paris, and I am sure that the middle east was on her agenda. My hon. Friend is right that the European Union has an important role to play. It already supports humanitarian efforts for the Palestinians and plays an important role in training Palestinian security forces, which are vital if a Palestinian state is to come into being alongside a secure Israel.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I say to the Foreign Secretary that it would be helpful if he could impress on his Israeli counterparts that the behaviour of the Israeli military courts in Gaza is damaging Israel's reputation and makes the prospect of a peace settlement yet more remote?

David Miliband: The right hon. and learned Gentleman raises an important point. I will certainly discuss the situation in Gaza with the Israeli Government. We have discussed the situation of the Gazan MPs in the House before, and I will certainly raise that, too. We have discussed the humanitarian situation in Gaza, which will also be on the agenda. I will take up and look into the point that the right hon. and learned Gentleman raises.

Dr. Brian Iddon (Bolton, South-East) (Lab): Has my right hon. Friend had any talks with the Israelis about the huge number of children who are held without charge in Israeli jails, against the Geneva convention and outside the occupied territories?

David Miliband: I have not had such talks, but I am happy to take them up when I meet my Israeli counterpart next week.

Mr. David Lidington (Aylesbury) (Con): Given that only last night the Prime Minister described Iran's nuclear ambitions as the greatest challenge to non-proliferation in the middle east and indeed the world, could the Foreign Secretary say why, a year after the Prime Minister promised further European sanctions, those sanctions are still not in place and why Iran is not even on the agenda for the EU Foreign Ministers meeting due on 11 and 12 December?

David Miliband: There certainly are further sanctions than there were a year ago, notably those exercised through Security Council resolution 1803, which has been put into practice by the European Union, but perhaps the hon. Gentleman was referring to oil and gas sanctions, which are important. He and I agree that we need to ensure that financial measures in the oil and gas sector are taken forward, and we continue to have that dialogue. We are trying to achieve unanimity across the E3 plus 3, because it is the basis on which to confront Iran. However, I assure him that the European Union is fulfilling its responsibilities. I do not know which forthcoming meeting the hon. Gentleman was referring to. The General Affairs Council met this week and I am happy to tell him that Iran is a regular topic of discussion. Indeed, I can assure him that it is certainly not suffering from a lack of focus.

Democratic Republic of the Congo

2. **John Barrett** (Edinburgh, West) (LD): If he will make a statement on the conflict in the Democratic Republic of the Congo. [234528]

5. **Judy Mallaber** (Amber Valley) (Lab): What his most recent assessment is of the prospects for a resolution to the conflict in eastern Congo. [234532]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): We strongly support the regional initiative of Presidents Kikwete of Tanzania and Kibaki of Kenya. It has allowed countries in the region to discuss co-operation to end the humanitarian crisis and injected new momentum into achieving full implementation of the Nairobi communiqué and the Goma accords, which we will now take forward with President Obasanjo, the UN special envy, and ex-Tanzanian President Mkapa. My noble Friend Lord Malloch-Brown will be in the region next week to take that forward.

John Barrett: The whole House will remember what happened in 1994, when up to 800,000 people were killed in neighbouring Rwanda, after which 2 million people fled to the Democratic Republic of the Congo. What will the Secretary of State do to ensure that peacekeeping forces on the ground can take the necessary action to stop the same disaster happening again?

David Miliband: The United Kingdom was proud to support the biggest UN operation ever, the 17,000-strong United Nations Mission in the Democratic Republic of the Congo—or MONUC—force, which is in the DRC. As the hon. Gentleman knows, however, we need political action, from both the DRC Government and President Kagame in Rwanda. That was the purpose of my trip to the region 10 days ago and it is the purpose of the African Union intervention, which is so significant.

Judy Mallaber: What scope is there for the AU and the EU to work together and use their joint influence on the Congolese and Rwandan Governments? In particular, is there any scope for co-operation in responding to the request by the head of MONUC to boost UN troops, so that there are sufficient forces in the right places to deal with the insurgents and rebels, who are causing so much havoc and terror in the area?

David Miliband: My hon. Friend makes an important point about AU-EU collaboration. That was the purpose of my visit to Dar es Salaam, and the work of Commissioner Michel is taking the issue forward. The EU has an important role in monitoring the implementation of the Nairobi and Goma accords, as well as on the humanitarian side. It is right that the fighting force is a UN force. I do not think that we want a rival EU force. What we need is for all countries, including European countries, to think how they can contribute to the MONUC force. We are waiting for a Security Council discussion later today. The first priority is the proper and effective deployment of MONUC forces, but if it is reported that more troops are needed, different countries will have to decide how they build that up. The decision of the African Union to involve itself and say that African troops will be the first port of call for extra forces is important in that respect.

Mr. Brooks Newmark (Braintree) (Con): What pressure is being brought to bear on the DRC Government to disarm the Hutus, who are responsible for the massacre of the 800,000 Tutsis in Rwanda?

David Miliband: Eleven hundred FDLR—Democratic Liberation Forces of Rwanda—troops have been disarmed and repatriated to Rwanda. That is an important step forward, but everybody who meets President Kabila emphasises that it is only that—a first step. When we talk of his fulfilling his responsibilities under the Nairobi agreement, it is precisely the disarmament and repatriation of the FDLR that is at the heart of his responsibility.

Mary Creagh (Wakefield) (Lab): I thank my right hon. Friend for his efforts in the Congo. He will be aware that there have been more than 4 million excess deaths there in the past 10 years because of the chronic instability and fighting, and more than 250,000 people have now been driven from their homes. What can he do to put an end to the sexual violence, in particular, and the recruitment of child soldiers? As in all wars, it is the women and children who suffer the most.

David Miliband: My hon. Friend rightly draws attention to one of the more shocking aspects of this conflict. The conflict in the Congo has cost more lives than any other since the second world war; I think that the total is now 5 million. The best thing we can do is to have a proper ceasefire, because that is the only basis on which the rights she is talking about can be properly adhered to.

Angus Robertson (Moray) (SNP): With time being of the essence, surely it must be right for the European Union to support the United Nations and the African Union with military assistance. Is Oxfam not right to say that European

"inaction has very human consequences... How many more must suffer before Europe will take effective action?"?

David Miliband: I do not accept that Europe is taking no action, and I do not just mean on the humanitarian side, where Europe is the largest donor to the DRC. European countries do have troops in the DRC, and we have a small number of officers helping to command the MONUC brigades there. What is important is that the UN takes a grip on this, and that the UN is the right place in which to take this forward. I hope that the hon. Gentleman would also agree that, rather than repeat the mistakes of the 1990s, when neighbours of the DRC got involved in the war instead of preventing it, it is right that a range of African countries should be the first port of call for extra troops.

Mr. Chris Mullin (Sunderland, South) (Lab): The problem with having African solutions to African problems—desirable though that is—is that, in the short term, it is going to lead to the deaths of many thousands of people. As we have seen in Darfur, the African Union lacks the capacity to intervene effectively. If intervention is to come, it will have to come from elsewhere—either through reinforcing MONUC, as my right hon. Friend has said, or through some form of EU intervention along the lines of the French Operation Artemis five years ago.

David Miliband: I think that we are looking at a rather longer-term problem than Operation Artemis. That was a time-limited, three-month operation, as my hon. Friend will know, as a distinguished former Minister for Africa. In our view, MONUC is the right place in which to situate the command structures. We do not want competing command structures, and we need to ensure that, if commanders on the ground report that they need more troops, those troops can be found.

Mr. Edward Davey (Kingston and Surbiton) (LD): Why is the Foreign Secretary so against an EU force, given that France, Belgium and the Netherlands have said that they are prepared to send forces, and that an EU deployment would be possible under the lead nation concept? Given the urgency of the situation, and the improbability of any immediate reinforcements coming from within the African Union, is not the Foreign Secretary indulging in dangerous wishful thinking by putting the burden of responsibility entirely on African troops?

David Miliband: I am not seeking to put any gloss on the situation: no one who has been there could fail to realise the gravity of it. There is nothing to prevent European nations from contributing to the UN MONUC force; that is the right place to do it. However, I do not think that the Foreign Ministers of some of the countries that the hon. Gentleman cites as being keen to send forces are in quite the position he believes them to be in, but let us leave that to one side. It must be right that, rather than having two fighting forces from outside, we have one, under a single UN command structure, that can deliver. That is what we are trying to do.

Tony Lloyd (Manchester, Central) (Lab): When my right hon. Friend visited Rwanda, was he able to impress upon President Kagame his view that a political solution was absolutely vital and that, just as we expect President Kabila of the DRC to play his part, President Kagame must now insist that Rwanda should be on the side of peace, not of war?

David Miliband: Yes, it is evident that Rwanda has important responsibilities in this respect, and Bernard Kouchner, the French Foreign Minister, and I certainly impressed that on President Kagame, who made it clear that he and his country would fulfil their responsibilities. That is the significance of the regional process that has now been started.

Mr. Keith Simpson (Mid-Norfolk) (Con): The Foreign Secretary has emphasised what must happen in the medium to long term, but many hon. Members on both sides of the House have highlighted the catastrophic nature of what is happening in the short term. Many of us believe that, although there are 17,000 UN troops there, they do not have a proper, effective command structure; nor are they a deterrent to General Nkunda, who has now said that, in the event of the troops bringing pressure to bear on him, he would take military action against them. In the short term, what kind of effective military deterrent can we put in place to prevent Nkunda and the others from carrying out what is effectively genocide?

David Miliband: First, it is most important to reinforce the ceasefire and, secondly, to ensure that MONUC troops are properly deployed in the areas threatened by General Nkunda. There are 5,500 troops in the north Kivu province and 76 IDP—internally displaced persons—camps there, which makes the scale of the problem evident. Thirdly, all those with links to General Nkunda need to make it absolutely clear that they will not tolerate further activities of the sort that went on last week and in previous weeks.

Anglo-American Relations

Simon Hughes (North Southwark and Bermondsey) (LD): What the priorities of the Government will be in their dealings with the next President of the US and his Administration. [234530]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The Prime Minister spoke to President-elect Obama last Thursday and offered him his warmest congratulations on his historic campaign and victory. We look forward to working with the new Administration further to develop the uniquely comprehensive relationship between our two countries. At the top of our agenda will be the international economic crisis, the middle east peace process, Afghanistan and Pakistan, and climate change.

Simon Hughes: Following the hugely encouraging victory of Senator Obama—and, above all, in view of Armistice day, when we remember the sacrifice of so many people from this country and our allies—what will the Government do to ensure that the new Administration promote not only good relationships between this country and the USA, but better relationships between the Presidents and people of the USA and Russia, our two great wartime allies?

David Miliband: I think that US-Russia relations are, in the first instance, a matter for the US and for Russia, but we can contribute by engaging Russia in debates about the future of the international system, of which it forms an important part. Secondly, we can ensure that nuclear non-proliferation remains at the heart of a shared agenda with Russia. Thirdly, we need to continue to give help—through the G8, for example—to the disarmament that Russia continues to take forward. There are obviously responsibilities on Russia as well: the President of Russia says that he does not want a new cold war, although the speech he gave last week was an odd way of showing it. It is important that Russia fulfils its responsibilities to the international system.

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): Are we not becoming enmeshed in American missile defence—without the debate promised by former Prime Minister Blair? Given President-elect Obama's express doubts about missile defence and given that it is grossly expensive, hugely ineffective and extremely destabilising for Europe, should it not be a priority of our Government, working with the new American Administration, to look for a more constructive collective approach to security concerns?

David Miliband: In tandem with the new Administration, we will certainly look into a whole range of nuclear proliferation issues, including ballistic missile defence. I would say to my hon. Friend, however, that the countries in central and eastern Europe that are siting those missiles are taking sovereign decisions about their own security and defence. Furthermore, the current Administration in Washington offered to run the ballistic missile defence system jointly with the Russians, so it is a pity that the Russians did not take up that offer.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Does the Foreign Secretary agree that an urgent priority for the Obama presidency—and, indeed, for that matter, for the British Government—is to ensure that we do not extend NATO membership to countries unless we are prepared ultimately to go to war in their defence? As there is not the slightest possibility of either the United States or the countries of western Europe going to war over countries such as Georgia or those like it whose territorial integrity might be threatened, will the right hon. Gentleman discuss with the American Administration other ways of enhancing the security of Georgia—by accelerating its membership of the EU, for example, as well as through other initiatives?

David Miliband: Yes, we will discuss a whole range of ways in which Russia's neighbouring countries can give greater security and support—political and economic, including through the EU, as well as on the security front. We should certainly not welcome people into NATO unless they are willing to live up to all the obligations. I would say, however, that when the three Baltic countries joined NATO 10 years ago, many people asked whether they could ever be properly bound into a western security architecture, yet they have been—and they are far more secure for it. I absolutely assure the right hon. and learned Gentleman that the Georgian and Ukrainian cases will be decided on the basis of their merits, their capacity and the determination of their population to join. These countries must want to join; it is not just a matter of whether we allow them to.

Colin Burgon (Elmet) (Lab): President-elect Obama made absolutely clear his condemnation of the assassination of trade unionists in Columbia in Latin America. Does not that condemnation provide the opportunity to reposition ourselves in Columbia? If any assistance we gave went not to the military but to the social partners, the trade unionists, in Columbia, would we not at last be on the right side of the argument in that country?

David Miliband: I can say that, publicly and privately, we have been condemning the killing of trade unionists in Colombia for a long time, and will continue to do so. I can also say that the only military aid that we give to Colombia is for de-mining and human rights training; there is no question of the money leaking into other activities. We will certainly continue to press for reform in Colombia, because it is greatly needed.

Mr. Simon Burns (West Chelmsford) (Con): Does the Foreign Secretary agree that the election of President-elect Obama offers a golden opportunity for a fresh start in the middle east? Will he and the Government, and Tony Blair in his role with the Quartet, seek to persuade the President-elect not to lose sight of the actions that are needed so urgently in the middle east as he concentrates on sorting out the domestic problems in the United States?

David Miliband: Yes. We have already addressed that issue once today, and I addressed it on election day, but we need the engagement of the American Administration from day one. If there is any lesson to be learnt from the Annapolis process, it is that it is not possible to wait until year seven to become fully engaged with the middle east.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Does my right hon. Friend agree that this is an appropriate time to encourage the American Administration to become more positively involved in international development issues, including conflict prevention and the implementation of the millennium development goals?

David Miliband: I do think it is important that America becomes fully engaged with development issues, and the size of its economy gives it a unique capacity to do so. Let me say to my right hon. Friend—I hope that he will still talk to me when I have said this—that of all the things the Bush Administration did, one of the most significant was their work on health issues. [HON. MEMBERS: "Hear, hear."] It would be nice to see a few of my hon. Friends expressing agreement as well. I am trying to persuade them.

May I draw to my right hon. Friend's attention—in the nicest possible way, and without asking him to sign up to anything else—the significance of the $5 billion PETFAR health programme? Perhaps the best way of doing that is to point out that it provides an excellent basis on which the Obama Administration can build in strong and dramatic ways.

Mr. Mark Francois (Rayleigh) (Con): One of the foreign policy challenges that the United States Administration will face is the deteriorating situation in Bosnia and Herzegovina. Does the Foreign Secretary agree that the European Union and the new Administration should work together to prevent Bosnia from sliding back into crisis? Can he assure the House that the Office of the High Representative will remain open, and

that there will be no question of withdrawing EU troops from Bosnia until genuine stability is returned and reforms are under way?

David Miliband: The hon. Gentleman will be pleased to know that the message of support for the five objectives and two conditions was at the heart of my visit to Bosnia yesterday. In meetings with leaders of all six political parties, I made absolutely clear our determination to follow up the letter that I composed jointly with the Czech Foreign Minister in July about the importance of the EU focusing on the Bosnia issue and the importance of sticking to the conditions that we have outlined for the future of the Office of the High Representative. I also spent two hours on the plane with the High Representative himself, discussing how he could work with the EU to ensure that his mandate was properly fulfilled.

Somaliland

4. **Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): What steps his Department is taking to encourage the Somali community in the UK to engage with helping Somaliland to develop its place in the world. [234531]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): My right hon. Friend the Foreign Secretary was glad to join my right hon. Friend in meeting members of the Somaliland community in Cardiff last month to discuss links between the community and Somaliland. We are keen to encourage further links with the community, and are planning further meetings with officials.

Alun Michael: I am sure that the whole House will wish to send its sympathy to the people of Somaliland following the recent suicide bombings that disrupted the peace and development of democratic institutions which had continued for the past 18 years. When our right hon. Friend the Foreign Secretary visited Cardiff recently, he met leaders of the Somali community. I was particularly proud of the young Somali women from Fitzalan high school and the young Somali men from Butetown and Grangetown who said that they wanted to help build links back into the Somaliland community. Will Ministers encourage the diaspora to become involved particularly in work with schools in Somaliland, and will my hon. Friend join me in considering the possibility of internet links to help build pupil-to-pupil and teacher-to-teacher contacts between us and Somaliland?

Gillian Merron: We also condemn the appalling bombings, and I join my right hon. Friend in offering condolences and sympathy to all those affected. I also commend my right hon. Friend for the work he does in support of Somaliland, and I share his view that fostering links between young people is crucial. I am glad that, under the Department for International Development global schools partnership programmes, four primary schools in Somaliland are linked with primary schools in Cardiff, involving some 4,000 children in Somaliland. We also need to have virtual links between schools, so I am glad that the British Council is developing the online element of its connecting classrooms programme, to enable links to be made between parts of the world, particularly those areas where travel is dangerous.

Tony Baldry (Banbury) (Con): What work is the Foreign Office doing on failed and failing states such as Somalia?

Gillian Merron: We constantly work with relevant Governments and non-governmental organisations to support the development of governance and the rule of law and the improvement of the lives of the people in those areas.

Ms Sally Keeble (Northampton, North) (Lab): Further to that question, what specifically are the Government doing to find a way forward in resolving the conflict in Somalia, which has real strategic implications not only for the horn of Africa, but beyond that for east Africa as well?

Gillian Merron: My hon. Friend is right to express that concern, and the UK is keen to help Somaliland continue to make progress. That is difficult, particularly where there are setbacks, such as on human rights. A political solution is what is needed, and we work with all our international partners to get that, and we seek the support of the African Union to ensure that Somalia and Somaliland find the correct political solution in the interests of all their people.

UK-Pakistan Relations

6. **Justine Greening** (Putney) (Con): What recent discussions he has had with his counterpart in Pakistan on UK-Pakistan relations. [234533]

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): My right hon. Friend the Foreign Secretary has discussed UK-Pakistan relations with Foreign Minister Qureshi on a number of occasions, and with President Zardari during the Friends of Pakistan meeting in September. We have a broad range of common interests, including the international financial crisis and the need to combat the threat from violent extremism.

Justine Greening: The Minister will be aware that there is a significant Ahmadiyya community across this country, which is based in Southfields in my constituency. Is he raising the issue of the persecution of that community in Pakistan? If so, is he aware that recently two members of that community were brutally murdered in Pakistan? However, that is just the extreme end of a broader pattern of persecution that takes place daily. Will he raise this specific issue with the Pakistan Government to find out what pressure can be brought to bear to deal with this problem?

Bill Rammell: I agree with the hon. Lady: we are concerned about the two recent murders in the Ahmadiyya community. We fundamentally support religious freedom, and with our European Union partners we regularly raise concerns about the treatment of minority groups with the Government of Pakistan, and have stressed the fundamental interplay that exists between long-term security, a stable democracy and the importance of guaranteeing the rights and political participation of all Pakistani citizens. We will continue to make that argument.

Mr. Khalid Mahmood (Birmingham, Perry Barr) (Lab): Is my hon. Friend aware that the British embassy in Islamabad has stopped taking applications from Mirpur,

which has made it extremely difficult for people there to have applications processed, as the nearest places at present are Lahore or the United Arab Emirates? Since there have been no terrorist activities in Mirpur, that situation should not continue.

Bill Rammell: I understand my hon. Friend's concerns, and I know he has expressed them on a number of occasions. There is a balance to be struck. There are logistical and security concerns about the issuing of visas. We keep matters under review, but the current situation is as it stands.

Sir Nicholas Winterton (Macclesfield) (Con): Is the Minister aware that last week 14 new members of the Pakistan National Assembly were here in our Parliament under the auspices of the Commonwealth Parliamentary Association UK branch? They were particularly interested in the development and evolution of parliamentary democracy in their country. They were also interested to know why in the past we supported in Pakistan an individual who certainly did not support parliamentary democracy. Is it our view that we can develop with the Government of Pakistan an improvement in parliamentary democracy in that country?

Bill Rammell: I certainly agree with the hon. Gentleman that visits such as that organised by the CPA are particularly important. We both want to support the development of democracy in Pakistan, which is a key facet of our bilateral relationship.

Ann Clwyd (Cynon Valley) (Lab): I am sure that my hon. Friend will be interested to know that several Pakistani MPs attended an Inter-Parliamentary Union human rights conference in Geneva last week. They thanked the IPU for the role that it had played in trying to help President Zardari, who had spent all those long years in jail, to get a fair trial. They singled out the IPU in particular, because they said that no other organisation gave assistance in the same way. What news does my hon. Friend have about the reinstatement of the judges in Pakistan, because it was of considerable concern to this country when, under emergency rule, they were all dismissed?

Bill Rammell: I share my right hon. Friend's regard for the IPU's work, not only in Pakistan but across the world. During the coalition discussions to resolve the issue of the restoration of the judiciary we certainly reiterated our position of attaching great importance to respect for the independence of the judiciary as a cornerstone of the rule of law. We supported the efforts of coalition leaders to find a solution. That remains our position, and we are pushing that argument forward very strongly.

Mr. Paul Goodman (Wycombe) (Con): Has the Minister had an opportunity to discuss with his Pakistani counterparts the effect of recent US military strikes on Pakistan? Could he tell us the Government's view of military action that takes place in Pakistan that is not authorised or approved by its Government?

Bill Rammell: That is an operational matter—[HON. MEMBERS: "It is not."] It is an operational matter that should be, and is, discussed between the Pakistani authorities and the United States. The Government of Pakistan are making great efforts to control security in the border area, and it is very important that both we and the United States work closely with the Pakistani authorities in support of that.

Mr. Denis MacShane (Rotherham) (Lab): Stability in Pakistan will be difficult to achieve while the Kashmir conundrum continues. Does the Minister welcome President-elect Obama's underlining of Kashmir as an issue that America will have to address? Does the Minister also agree that the presence of half a million Indian troops in Kashmir means that Pakistan keeps most of its military on its eastern flank, instead of focusing on its western flank and helping us in Afghanistan?

Bill Rammell: The situation in Kashmir remains an important concern, and we are urging all parties to commit themselves and to support the composite dialogue in that regard.

Afghanistan

7. **Mr. Oliver Heald** (North-East Hertfordshire) (Con): What discussions he has had with the Secretary of State for Defence and the Secretary of State for International Development on co-ordination of policies relating to Afghanistan. [234534]

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): Ministers in all three Departments regularly discuss and co-ordinate our strategy and policies on Afghanistan. To complement ministerial-level working, the cross-departmental Afghanistan senior officials group and the Afghanistan strategy group also meet regularly.

Mr. Heald: In reviewing the co-ordination efforts, will the Minister examine the US model, in which the army is able to undertake aid and reconstruction efforts? Military victories become hearts and minds victories, because local people can see positive evidence on the ground that a victory means that they get something worth while in the way of aid and reconstruction.

Bill Rammell: I agree with the hon. Gentleman's underlying comment that there needs to be a multifaceted approach in Afghanistan. Although that has a military component, it also contains political, economic, aid and other elements. There needs to be a follow-on from military activities, and we are very much engaged in that area.

Alan Simpson (Nottingham, South) (Lab): When the Foreign Secretary meets President Karzai, will he take the opportunity to address the issue of the number of people in Afghanistan awaiting the death sentence? I understand that the judges have dramatically increased that number, to 125 or so. Can he make specific approaches to Afghanistan not to go down a route that would bring such international opprobrium?

Bill Rammell: I know that my hon. Friend takes a real interest in these issues, and we have been consistent in articulating our policy on the death penalty. We have also raised specific concerns, for example about the case of the journalists, and we will continue to put forward our view to President Karzai and other members of his Government.

Mr. Edward Leigh (Gainsborough) (Con): Given that the British Army is already nearly at breaking point, will the Government resist any pressure from President-elect Obama to commit more troops to the morass of Afghanistan?

Bill Rammell: Let me be clear: we need greater burden-sharing by all our partners and allies and we are not anticipating further British troop commitments at the moment. Part of the longer term solution is the development of capacity in the Afghan national army, and therefore the recent agreement by the Afghan Government to expand the army's capacity from 80,000 to 122,000 troops is very welcome.

Mr. David Drew (Stroud) (Lab/Co-op): The British remain in the lead on drugs interdiction. Is there any better news about our ability to bear down on that awful trade?

Bill Rammell: As I recall, the most recent United Nations survey shows a reduction of roughly 19 per cent. reduction in poppy cultivation, and the number of poppy-free provinces has increased from 13 to 18. I do not deny that we and the Afghan authorities continue to face a significant challenge, but it is fundamentally in our national interest to address it, given that 95 per cent. of the heroin that ends up on British streets derives from Afghanistan.

Ann Winterton (Congleton) (Con): The co-ordination of policy in Afghanistan is a vital issue. For example, which Department will be responsible for the security of the transmission cables from the Kajaki dam once the third turbine is up and running?

Bill Rammell: There is effective co-ordination on the ground between all the relevant Government Departments. There are regular meetings and liaison, and we will ensure that those issues are addressed.

Mark Fisher (Stoke-on-Trent, Central) (Lab): Following the question from my hon. Friend the Member for Stroud (Mr. Drew), is it not extraordinary that the EU is making grants and encouraging people to grow poppies in this country when we are bearing down on people growing poppies in Afghanistan? Is that not most illogical?

Bill Rammell: I will come back to my hon. Friend on the details of that question. What I can say with conviction is that tackling poppy cultivation in Afghanistan remains a fundamental priority that we are taking forward with vigour.

Iran

8. **Mr. Ben Wallace** (Lancaster and Wyre) (Con): When he or his officials last met representatives of the Russian Government to discuss Iran. [234535]

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): The Foreign Secretary met his Russian opposite number on 25 September to discuss Iran. He also took part in a meeting of E3 plus 3 Foreign Ministers on 26 September. Political directors from the E3 plus 3 last met on 19 September and are scheduled to meet again on 13 November. An official from our embassy in Moscow most recently discussed Iran with the Russian Ministry of Foreign Affairs on 16 October.

Mr. Wallace: Over the past few years, Russia has used energy as a weapon to bully other countries. Is it therefore a credible option to offer the Iranians Russian fuel as a way out of the nuclear impasse? Is it not about time that the United States and the west went their own way with some imaginative thinking in trying to solve the Iranian problem, rather than waiting for an ever more totalitarian Russia and an ambivalent China?

Bill Rammell: Part of the resolution of that problem has to be to ensure the meeting of the legitimate civilian nuclear needs of Iran, and Russia can be helpful in that regard. However, we should be in no doubt that significant concerns remain about the willingness of the Iranian Government to engage with safeguard provision. We need to press them through sanctions and other measures. A significant offer is on the table from the E3 plus 3 process and we have to push internationally for Iran to engage with that process.

Ms Dari Taylor (Stockton, South) (Lab): Does my hon. Friend believe that the strength of economic and political ties between Russia and Iran is undermining international sanctions aimed at putting an end to the Iranians' development of nuclear power?

Bill Rammell: Russian has supported all five UN Security Council resolutions in respect of Iran's nuclear obligations. It remains the case that we expect all our partners in the E3 plus 3 process to do everything possible to fulfil their commitments to stop Iran generating and developing nuclear capability.

Mr. Stephen Dorrell (Charnwood) (Con): Are the Government convinced that the objectives of Russian policy vis-à-vis Iran are the same as those of Her Majesty's Government?

Bill Rammell: On the nuclear issue, yes, I believe that that is the case. On five occasions at the Security Council Russia has voted with us in respect of those resolutions, urging Iran to engage. We expect all our partners to fulfil their commitments to stop Iran getting that nuclear capability, and we believe that they will work with us.

Kerry McCarthy (Bristol, East) (Lab): Does my hon. Friend agree that if we want to build better co-operation with Russia on the subject of Iran and the nuclear issue, the strident anti-Russian remarks of the likes of the shadow Foreign Secretary are not at all helpful?

Mr. Speaker: Order. The remarks of the shadow Foreign Secretary are nothing to do with the Minister.

Topical Questions

T1. [234516] **Miss Anne McIntosh** (Vale of York) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): Today, I led a service of remembrance in the Foreign Office for those members of the diplomatic service who have lost their lives while serving the country. I am sure that the whole House will want to express its support for the families who bear a lifetime's burden from that loss.

Yesterday, the General Affairs and External Relations Council of the European Union discussed Bosnia and Herzegovina, following which I visited Sarajevo, where I relayed the European Union's deep concern at the pace of reform and the domestic political climate. The Government are committed to Bosnia and Herzegovina's European perspective, but Bosnian politicians must find a constructive way forward within the Dayton framework.

Miss McIntosh: Today of all days, as we remember all those who have fallen in the past 90 years, will the Foreign Secretary renew with the President-elect of the United States his commitment to insist on maintaining a fair share of the burden of troops in Afghanistan and other theatres of war? Will he also take this opportunity to ensure that other European Union countries maintain their fair share of the burden?

David Miliband: It is not just the military burden that needs to be fairly shared, but the economic and political burden, too. There are 42 countries contributing militarily to the coalition and it is vital that we all play an appropriate role. President-elect Obama's plans on the military side have received more coverage than his plans on the economic and political side, but they are equally important. We certainly propose to continue to fulfil our responsibilities.

T2. [234517] **Judy Mallaber** (Amber Valley) (Lab): The election of Barack Obama has been greeted with enthusiasm around the world, in part because of his acceptance of the importance of tackling climate change. What discussions are planned with the incoming US Government to promote that agenda globally?

David Miliband: My hon. Friend makes the very important point that climate change is now seen as a foreign policy and security issue, not merely an environmental issue. The first step is obviously for the European Union to agree a strong climate package in December, but we will be working with the new Administration to ensure that the efforts of American states, cities and businesses are brought together nationally and joined with European efforts.

Mr. William Hague (Richmond, Yorks) (Con): At the previous Foreign Office questions, the Foreign Secretary confirmed that the criteria for the resumption of the EU-Russia partnership talks included Russian compliance with all six points of the ceasefire agreement and the return of ethnic Georgian refugees to their homes. Russia remains in clear breach of the ceasefire agreement, because Russian troops have not withdrawn to their pre-war positions. EU ceasefire monitors are still denied entry to Abkhazia and South Ossetia, and Georgian refugees have not been able to return home, yet the Government have now agreed to the resumption of the EU partnership talks with Russia. Will the Foreign Secretary explain the consistency between his remarks in the House last month and his actions this month?

David Miliband: I rightly referred to a range of criteria that we would use, the most important of which was whether we would be able to pursue our aims in respect of the territorial integrity of Georgia through the negotiations. The current partnership and co-operation agreement—PCA—includes no mention of the territorial integrity of Georgia, whereas the mandate for the PCA negotiations states clearly that the Council and the Commission will pursue a settlement of the frozen conflicts in the Republic of Moldova and Georgia, respecting the principle of territorial integrity. That means that the PCA gives us the chance to take forward those principles, and that is what we will do.

Mr. Hague: I think that that answer means that the Foreign Secretary will make no attempt to explain any inconsistency between his remarks last month and his actions this month. What he said last month was in line with the EU summit of 1 September, which said that the implementation of the ceasefire agreement "has to be complete". I realise that in the past couple of weeks he has probably been overruled by the Prime Minister—or, more alarmingly, by the Business Secretary—but does it not show extraordinary weakness for the Government and the EU to be unable to stick to a firm position for even three months on an agreement that the EU itself sponsored and negotiated? What sort of message does that send to Russia about the future? In our dealings with Russia, do we not need to demonstrate consistency and strategic patience, and does not what he has agreed make this country and our partners look incapable of either?

David Miliband: No. The right hon. Gentleman is kidding himself if he thinks that the continued suspension of the talks would punish Russia. It would not: instead, it would isolate him and, if he were standing on this side of the House, Britain. I spoke to the President of Georgia both last night and last week, and my right hon. Friend the Minister for Europe met Georgia's Foreign Minister yesterday. They did not object to the recommencement of the PCA talks, but they made it clear that they wanted economic, political and security support for Georgia's territorial integrity. That is what we have offered: frankly, if that is good enough for them, it should be good enough for him.

T3.[234518] **Siobhain McDonagh** (Mitcham and Morden) (Lab): I have been contacted by a large number of constituents over the past few months about the deteriorating humanitarian situation in Sri Lanka, and particularly of the Tamil community. What action will my right hon. Friend the Minister for Europe take to ensure that the plight of the Tamil community is high on the EU agenda, especially given the new French presidency?

The Minister for Europe (Caroline Flint): I thank my hon. Friend for that question. I know that she takes this matter very seriously and that she has constituents who have great concerns about the situation in Sri Lanka. The European Commissioner for External Relations, Benita Ferrero-Waldner, and the European Commissioner for Development and Humanitarian Aid, Louis Michel, have expressed concern about the situation in Sri Lanka. Both have appealed to the Sri Lankan Government and the Liberation Tigers of Tamil Eelam to ensure human rights and security, in line with international humanitarian law. They are also looking at whether the funding from the EU has been accompanied by the commitment to human rights that is expected when such funding is received. I shall be happy to write to her with a further update on the matter.

T4.[234519] **Mr. Greg Hands** (Hammersmith and Fulham) (Con): We heard earlier about our difficult relationship with Russia. Next week marks the second anniversary of the murder of Alexander Litvinenko in London, but the BBC World Service is axing all cultural programmes in Russian, reducing broadcasting by 19 hours a week and making a 15 per cent. head-count reduction in the Russian service. Most remarkably, the Russian language service that is broadcast into Georgia is to be moved from London and based in Moscow. Does the Minister agree that now is the time to be increasing and expanding our broadcasting into Russia, not cutting it?

Caroline Flint: I am happy to write to the hon. Gentleman with more detail on the issues that he has raised. My understanding is that part of what the World Service is doing is to look at where people access the service most. One thing that it is considering is expanding the service through the internet, as it has found that many more people in Russia want to access the service through that medium than want to use the radio service. These are BBC decisions, but we want to make sure that services are well provided and in a way that is in tune with the sort of media that younger people in particular use today.

T5. [234520] **Anne Snelgrove** (South Swindon) (Lab): Further to the remarks of my right hon. Friend the Foreign Secretary about Egypt's role in the middle east peace process, what discussions has he had with the Egyptian Government on negotiating an extension to the ceasefire between Israel and Hamas?

David Miliband: I met the Egyptian Foreign Minister in Marseilles last Monday at the EU Mediterranean summit. It is fair to say that at that stage he was still working very hard to ensure that the reconciliation meeting happened over the weekend just gone. It did not happen because Hamas pulled out, which is obviously regrettable. I think that it is important that the Egyptian Government are given every encouragement for their work in supporting the elected leader of the Palestinian Authority, Mahmoud Abbas, and in uniting the Palestinian people under his leadership.

Mr. Crispin Blunt (Reigate) (Con): The Foreign Secretary has said that the No. 1 priority for discussion with the new American Administration will be the international economic crisis. When he and the Prime Minister engage with the Administration, may I caution them not to repeat that the crisis was entirely born in the United States? Otherwise, it will bring about the very proper retort that Her Majesty's Government have rather more than their fair share of blame.

David Miliband: With the greatest respect, I think that is a rather foolish thing to say, as President-elect Obama has spent the last 22 months saying that the economic crisis was born in Washington DC and New York, at the hands of the current Administration. So I do not think that we will have any problems at all forging a strong partnership with the new Administration.

T6. [234521] **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): The Government's view on Israeli settlements is that they are illegal and an obstruction to peace. Will the Foreign Secretary confirm that steps are now being taken to stop settlement products that misapply the EU preference from being sold in this country? Also, are steps being taken to discourage UK residents from purchasing properties in illegal settlements?

David Miliband: I am happy to confirm that we are determined to see properly implemented the 2005 agreement between Israel and the European Union governing products from the occupied territories. It is certainly our intention to see that the agreement is properly implemented.

T7. [234522] **Mr. David Drew** (Stroud) (Lab/Co-op): While the world's eyes have been on Iraq, Afghanistan and, more recently, the Congo, the situation in Darfur has continued to deteriorate. What efforts are the British Government making to try to bring about a solution to the impasse caused by the citation of President Bashir by the International Criminal Court? Next year will be a year of elections in Sudan; how will we make sure that they can be carried out?

David Miliband: My hon. Friend raises a very important point. It is because we must not lose the focus on, or recognition of, the importance of Darfur and Sudan that I met the Vice-President of Sudan in New York on 26 September. I discussed with him the importance not just of the elections in 2009, but of the referendum plan for 2011 and preparation for it. Obviously, it is vital that the north-south track is maintained under the comprehensive peace agreement, that the situation in Darfur remains at the heart of the humanitarian effort, and that proper relations with Chad are not forgotten.

Sir Patrick Cormack (South Staffordshire) (Con): May I return to the subject of Bosnia and Herzegovina? Is the Foreign Secretary satisfied that Serbia is playing a constructive part in talking to the Serbian population within Bosnia to try to bring about a realistic solution?

David Miliband: The hon. Gentleman raises an important point, which I discussed last Tuesday and Wednesday in Serbia. I discussed it again this morning with the Serbian Foreign Minister, and I discussed it with the Serbian President and Foreign Minister last week. Serbia has an important role to play. The Serbian Government said to me very clearly that they want to exercise a stabilising and responsible role in the region, and we certainly plan to work with them to deliver on that.

T8. [234523] **Martin Linton** (Battersea) (Lab): Does my hon. Friend agree that Israeli settlements on the west bank are illegal under international law, and that it is vital that Israel at least stops expanding those settlements if it wants talks to take place, irrespective of anything else? Will he consider supporting a resolution to that effect in the United Nations under chapter VII of the United Nations charter?

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): I very much agree with my hon. Friend. We regard all settlements in the occupied Palestinian territories as illegal under international law, and settlement construction is a serious obstacle in the peace process. In a very real sense, Israel is already under an obligation not to expand settlements. However, I do not agree with him on a chapter VII resolution. Such a resolution would imply that all the movement is necessary on one side, whereas in reality we all know that we need movement on both sides.

T9. [234524] **Ms Angela C. Smith** (Sheffield, Hillsborough) (Lab): A number of us visited Bosnia earlier this year, and I was particularly struck by the extent to which Republika Srpska has advanced economically and socially in the past 10 years or so, compared with the Federation of Bosnia and Herzegovina. Will my right hon. Friend ensure that the EU plays its full part in ensuring that the whole of Bosnia enjoys economic and social development, and not just the residents of the ethnically cleansed RS?

Caroline Flint: I thank my hon. Friend for her question. It is absolutely vital that all those who live in Bosnia and Herzegovina feel that they have a stake in their future. That is what we are attempting to ensure, in co-operation with other EU partners and the High Representative for Bosnia and Herzegovina, whom I was pleased to meet last week. We have to make sure that we can focus on the big picture, which is security and prosperity for all who live in that country, but security for that part of the Balkans is also an important factor.

Richard Younger-Ross (Teignbridge) (LD): Will the Secretary of State look at the situation facing the Tibetan community in Nepal? Following anti-Chinese demonstrations, a number of Tibetans face extradition to China, and have been denied entry to India. Considering Britain's relationships with Nepal, our history and relations with India and the fact that Britain occupied Tibet for the best part of 40 years at the beginning of the last century, what can the Secretary of State do for the Tibetan community there?

Bill Rammell: I am aware of the concerns that the hon. Gentleman has expressed. We are, through our embassy, discussing those matters, and the recent change to our policy on Tibet means that we are now in a position to focus forcefully on the issue of human rights and the need in the Chinese constitution for greater regional autonomy. We are now in a position to push those issues very strongly.

T10. [234525] **Patrick Hall** (Bedford) (Lab): Will my right hon. Friend the Foreign Secretary use his influence with the Chancellor of the Exchequer to press the European Central Bank to take a lead from the Bank of England and secure substantial further reduction in interest rates?

Caroline Flint: I am sorry to disappoint my hon. Friend, but it is not for the Government to comment on the monetary policy of the central bank of the eurozone, not only because the UK is not a member of the eurozone but because it is absolutely right that monetary policy should be set independently, which is why we gave the Bank of England independence in 1997. However, I am pleased that the European Investment Bank is providing €30 billion, which is available to small businesses, to support them in the months ahead. That clearly demonstrates that there is a role for the EU to add value to what national Governments can do, and I am pleased that, as a Government, we can play a constructive part in making sure that that happens.

John Bercow (Buckingham) (Con): Given that the Government of Burma continue to practise some of the most bestial human rights abuses to be witnessed anywhere on the face of the planet, will the Foreign Secretary tell the House what steps he has taken to work with his counterparts in the United Nations Security Council to try to bring about a binding resolution that will bring the regime to book and offer the people of Burma the freedom and justice that we have so long enjoyed and which they have so long been denied?

Bill Rammell: I thank the hon. Gentleman for that question, and I pay tribute to the work that he does on that subject. The situation in Burma remains one of our highest priorities. If the UN Secretary-General visits later this year, that visit would have our full support. Indeed, I hope in the next couple of days to discuss that matter in New York at the United Nations. The junta's road-map process and the elections planned for 2010 lack all credibility, and that is a message that we need to send out loud and clear.

Mrs. Madeleine Moon (Bridgend) (Lab): My constituents were appalled to read in the British press of a 13-year-old girl in Somalia who was gang-raped. When the authorities heard of the gang rape, they sentenced her to be stoned to death as punishment. What steps have the British Government taken to send a clear message to the Government of Somalia that that is certainly not the sort of behaviour that we condone, and can we take that up at international level? If women and children cannot be protected, what hope have we of a peaceful world?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): I share my hon. Friend's outrage, and we, too, utterly condemn that barbaric practice. That tragic incident occurred in the city of Kismayo, which is under the control of radical Islamic insurgents. The Somali Government have no control in that area, and international agencies are unable to act. We deplore that horrific incident, and call on those responsible to act with restraint and in accordance with the peaceful tenets of Islam.

BILL PRESENTED

Remembrance Day Bank Holiday

Mr. Frank Field, presented a Bill to designate 11th November as an annual public holiday in the United Kingdom; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 21 November, and to be printed. [Bill 162].

Police (Justice Commissioners)

3.34 pm

Mr. Douglas Carswell (Harwich) (Con): I beg to move,

That leave be given to bring in a Bill to provide for the replacement of police authorities with elected justice commissioners; to make provisions regarding the duties and powers of justice commissioners; and for connected purposes.

Louise Casey, the Government's Home Office adviser, is right: there has indeed been a collapse in trust in the criminal justice system. The Government's former respect tsar is right to be concerned about surveys that show that only one third of people still have great confidence in the police. Louise Casey is not alone in recognising that public confidence in the administration of public justice is beginning to break down. The Secretary of State for Justice said recently that the justice system needed to "get tough" with criminals, and there has been no shortage of Home Secretaries and Ministers talking about the need to make the criminal justice system work, or of Westminster insiders talking about the need to get tough on crime. The trouble is that that is all it is—just talk.

Politicians are largely powerless to fight crime, and they are not able to make the criminal justice system work for those who elect them. We might fight elections with lots of talk about fighting crime, but policing today is almost entirely outside democratic control, and no one, least of all those in this Chamber, likes to admit it. At election time, national or local, the candidates of all major parties wearily pledge to "put more bobbies on the beat", but they promise something that it is not in their gift to deliver. The deployment of police personnel is wholly at the discretion of chief constables, and the only voice that elected representatives have is as a minority on police authorities, which is perhaps one of the many reasons why voters, hearing the ritualistic promise of more police but never seeing much change, have increasingly given up on the whole charade.

Today, I propose a different approach. Let us imagine that local people, not Home Office officials, determined the priorities of the police where we lived. What if we, as local residents, could hold our local chief constable directly to account for fighting crime? Let us suppose that the justice commissioners we elected to our county or city decided how to deploy resources, and had to decide whether to spend their budgets on more patrols or on more speed cameras, and then stood for re-election on the basis of their record.

The link between police and the public was a founding principle of the police force. Sir Robert Peel said:

"The police are the public and the public are the police,"

and, indeed, lip service is still paid to that notion. The Metropolitan Police Service's expensive logo at Scotland Yard proclaims: "Working together for a safer London". But behind that façade sit thousands of police officers doing anything but working together with the community. We do not need more top-down crime and disorder reduction partnerships, more Whitehall initiatives, or more community safety plans imposed on local communities; we need recognition that the tripartite system established under the Police Act 1964 is broken. Chief constables are much more accountable to Home Office target-setters than to local people, and through targets, funding streams, audit and inspection, the Home Office has imposed de facto national control over police forces.

Police authorities, which are supposedly the third pillar of tripartite accountability, are not up to the job, because they fail to hold chief constables effectively to account, and they do a poor job representing local people. Police authorities are largely appointed, and some are quangos with local worthies but without democratic verve. Too often, the authorities see it as their job to defend "their" chief constable against attacks on his or her performance; instead, they should hold the chief constable to account. Few people know that police authorities exist, and even fewer know who sits on them.

My Bill would abolish police authorities. Instead, a simple, effective and transparent system of local accountability should be introduced: directly elected individual justice commissioners. Justice commissioners would appoint and dismiss chief constables, set targets for the force, make their own policing plans and control their own budgets, which would be allocated as a block grant. Initially, there would be one commissioner for every one of the 43 police forces in England and Wales, but, in time, it would make sense to bring the forces into line with local government boundaries. My Bill would enshrine in law the operational independence of chief constables. It is possible to have policing that is both democratically accountable and operationally independent of untoward interference. Where there was a directly elected mayor whose jurisdiction was congruent with a police force area—a situation that currently occurs only in London—the mayor would exercise the function of the justice commissioner.

The criminal justice system is not, however, simply about chasing criminals through the streets. Criminal justice is about pursuing wrongdoers through the courts, determining their guilt or innocence and managing offenders justly. People are losing confidence in the criminal justice system not merely because of failures of policing, but because of failures further downstream. Some have argued that we need a measure of justice commissioner involvement in prosecution, although it is not included in my Bill. Similarly, there is a case to be made—I stress that I am not making it today—for a joined-up system of criminal justice that allows the justice commissioner some involvement in probation. That might give greater local legitimacy to some of the more compassionate and just forms of offender management that we now need.

Throughout the ages, those opposed to greater democracy have argued that things are best left to the experts—so, too, with those opposed to democratic policing. They say that it is too technical, too difficult and too sensitive and that it is far better left to qualified professionals rather than elected populists. Really? Are they thinking of the same qualified professionals who presided over one of the highest per capita crime rates in the western world, or of the legal system that sends a seventh-conviction burglar to prison for an average of 21 months?

Is there perhaps a danger that a rabid populist might take charge of local policing? Not at all. The police would remain entirely operationally independent. The law would still be the law, and it would continue to be

[Mr. Douglas Carswell]

enforced without fear or favour. As for populist politicians, we might well end up with a Rudy Giuliani or a Ray Mallon in every town.

Sir Patrick Cormack (South Staffordshire) (Con): Or a Sarah Palin.

Mr. Carswell: However, better that we have a Rudy Giuliani or a Ray Mallon—or a Sarah Palin—than another Sir Ian Blair.

Others oppose the idea on the grounds that it would lead to postcode lottery policing, but that is nonsense. Postcode lottery policing is precisely what we have today. If random chance meant that people happened to have a chief constable who thought it was okay to smoke cannabis, what could they do about it? If luck had it that a person's chief of police believed that speed cameras were a good thing and that person did not, there would be little point in their complaining. Localism in policing means accepting that there would be local asymmetries, but there would be nothing random—no lottery—about it. Differences would be shaped consciously by local choices. For example, the justice commissioner of Essex might well endorse a zero-tolerance attitude to drunken public disorder behaviour problems, whereas the justice commissioner for Suffolk favoured toleration. One of two things would then happen: either Essex stag parties would flood across the county border in such numbers that the people of Suffolk would elect a tougher justice commissioner, or the good people of Essex would demand a justice commissioner who took a more relaxed approach to boisterous nights out. We Westminster politicians do not know what people would choose, and that is the essence of localism.

When I published a book calling for direct democratic policing in 2002, a Member of Parliament told me that my proposal was profoundly unConservative. Indeed it is—and so, in a sense, am I. We can do better than the status quo. Members from both sides of the House are sponsoring this Bill and I hope that hon. Members from all parties will now back it.

3.42 pm

Sir Patrick Cormack: I shall speak only briefly, but I really think that this is an awful lot of populist claptrap. The best remark of all came originally not from me but from my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind), who is sitting in front of me and was the first to make the remark about Sarah Palin; I gladly attribute it to a splendid colleague.

My hon. Friend the Member for Harwich (Mr. Carswell) destroyed his own case in his last few remarks about the differences that there could be between police forces in Essex and Suffolk. They were nonsense. At the moment, we are working hard in the United Kingdom to have the closest possible cross-border co-operation between the Police Service of Northern Ireland and the Garda Siochana in the Republic of Ireland. I was in Northern Ireland talking to police leaders only a couple of weeks ago. Sir Hugh Orde appeared before the Northern Ireland Affairs Committee only last week, and it makes complete sense to have that sort of co-ordination. To politicise the police in the way that has been suggested—*[Interruption.]* Of course it would politicise the police; people would stand for election on party tickets and for populist policies. Frankly, the Bill is a prescription for anarchy and disaster, and I cannot support it.

Question put and agreed to.

Bill ordered to be brought in by Mr. Douglas Carswell, Mr. Frank Field, Mrs. Nadine Dorries, Mr. Mark Field, Mr. Philip Hollobone, Mr. Richard Shepherd, Mr. Peter Bone, Mr. Charles Walker, Mr. Graham Allen, Mr. Stephen Crabb and Daniel Kawczynski.

Police (Justice Commissioners)

Mr. Douglas Carswell accordingly presented a Bill to provide for the replacement of police authorities with elected justice commissioners; to make provisions regarding the duties and powers of justice commissioners; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 21 November, and to be printed [Bill 161].

Heathrow

Mr. Speaker: We now come to the main business. I inform the House that because of the large number of Back Benchers wishing to contribute, the time limit for Back Benchers is 12 minutes.

3.45 pm

The Secretary of State for Transport (Mr. Geoffrey Hoon): I beg to move,

That this House has considered the matter of adding capacity to Heathrow.

I am grateful to the House and to the business managers for agreeing to this debate. I very much welcome this opportunity to discuss the issues surrounding the future development of Heathrow airport. It is of course not the first debate on this subject in the House, but it is the first time that I have had the opportunity of taking part as Secretary of State for Transport. I am looking forward to hearing the views of right hon. and hon. Members. I know that many here today have particular points that they wish to make about Heathrow; indeed, some have previously asked to meet me personally. However, with the consultation on Heathrow now closed, it would have been extremely difficult for me to meet particular individuals or interested parties without invoking criticism that they were being given undue influence. That is why I asked for this debate to take place. The great benefit of today's proceedings is that they are on the record and give all Members an equal opportunity to have their say before any final decisions are taken.

As my right hon. Friend the Member for Bolton, West (Ruth Kelly) informed the House in her written ministerial statement on 8 July, I hope to announce my decision on whether, and if so how, additional capacity might be added at Heathrow before the end of the year. It is right that we bring this period of uncertainty to an end as soon as practically possible for the benefit of the people directly affected and for the country as a whole. However, it is also right that we carefully and thoroughly review all the available evidence before reaching our conclusions. That is precisely what we are doing.

The House will be aware that the Government completed a very extensive consultation on the future development of Heathrow earlier this year. I am acutely aware that airport development in general, and the future of Heathrow in particular, arouses strong feelings. Indeed, we received almost 70,000 responses to the consultation from individuals and organisations across a whole spectrum of views. It is worth emphasising at this stage that this consultation was not about the need for new capacity at Heathrow. The Government made clear their views in the 2003 White Paper "The Future of Air Transport", which supported the case for future development of Heathrow, including a further new runway and additional terminal capacity.

Steve Webb (Northavon) (LD) *rose—*

Mrs. Theresa Villiers (Chipping Barnet) (Con): Will the Secretary of State give way?

Mr. Hoon: If I could make a little more progress, I will give way in due course.

We recognised at the time that this would have implications for people around Heathrow, which is why we have made that commitment subject to meeting stringent local environmental conditions. Let me remind the House of what those conditions are. First, we must meet our European obligations with regard to local air quality. That means that pollution from particulates and nitrogen dioxide must be within prescribed limits by the time any capacity changes are implemented.

Mrs. Villiers *rose—*

Mr. Greg Hands (Hammersmith and Fulham) (Con): Will the Secretary of State give way?

Mr. Hoon: In a moment.

Secondly, there is a commitment not to increase the size of the area significantly affected by aircraft noise. We measure this by reference to the 57 dB noise contour, which is a measure of the average exposure to aircraft noise over a typical 16-hour day. We take as our benchmark the size of that area in 2002—the latest data available before publication of the 2003 White Paper—which was 127 sq km. Thirdly, there is an expectation that any airport development should be accompanied by measures to improve public transport access to the airport, particularly by rail.

Mrs. Villiers *rose—*

Mr. Hoon: I undertook to give way in a moment. If the hon. Lady will wait, I shall set the scene and set out the principles. It is important that the House should have this opportunity. I will certainly give way when we get on to the detail.

We have since undertaken a three-year programme of technical analysis to assess whether these conditions can be met for a new runway given the construction time frame, as well as for the other options we set out for adding capacity at the airport. I will return to these conditions in more detail later in my speech.

After that work had concluded, the consultation launched in November last year invited views on three different options: first, a third runway with a new terminal around 2020; secondly, mixed-mode landing and take-off patterns within existing capacity around 2010 and a third runway with a new terminal around 2020; and, thirdly, mixed-mode within existing capacity around 2010, full mixed-mode around 2015 and a third runway with a new terminal around 2020. The mixed-mode process involves using each runway for both landings and landings and take-offs—the kind of operation that happens now at any single-runway airport such as Gatwick or Stansted. At Heathrow, however, it would mean aircraft arriving and departing on both runways, in contrast to the current practice of runway alternation, whereby aircraft normally arrive on one runway and depart from the other. Mixed-mode operations could provide additional runway capacity in the period before a third runway could be operational.

Mrs. Villiers: Will the Secretary of State give way?

Mr. Hoon: In two seconds, if the hon. Lady will be patient.

[Mr. Hoon]

That could also bring an added degree of resilience to the airport, even without increasing traffic levels, as it would provide greater flexibility in the use of the two runways and an improved ability to manage air traffic during periods of congestion or bad weather.

Mrs. Villiers: How does the Secretary of State reconcile his repeated statements that he is in favour of a third runway at Heathrow—statements echoed repeatedly by the Prime Minister—with the fact that the consultation has only just closed? Surely the consultation that they have carried out has been a complete sham, because his mind is made up, and has been for a long time—as has the Prime Minister's.

Mr. Hoon: In a sense, I am sorry to have given way. I set out the position very precisely for the hon. Lady. It is set out in the White Paper: it is that the Government supported the expansion of Heathrow on the basis of capacity in the 2003 White Paper, subject to the clear environmental conditions—the local environmental conditions—that have to be met. I have just set out the answer—

Mrs. Villiers: Will the Secretary of State give way?

Mr. Hoon: I am not going to give way to the hon. Lady if she does not indicate that she is listening to anything I have said. I have set out the position precisely.

Several hon. Members *rose—*

Mr. Hoon: I will make a little more progress, then I will give way again. I hope that in the course of—

Mr. John Gummer (Suffolk, Coastal) (Con): Will the Secretary of State give way?

Mr. Hoon: I am going to make a little progress. I will give way in a moment.

The question of capacity—this is important, and I hope that the hon. Lady pays better attention—is not a new one for Heathrow. The need for new runway capacity in the south-east has been under review in one form or another since 1990, including a runway capacity study that ran for 3 years from 1990 to 1993 and regional air studies from 1999 to 2003.

Fiona Mactaggart (Slough) (Lab) *rose—*

Susan Kramer (Richmond Park) (LD) *rose—*

Norman Baker (Lewes) (LD) *rose—*

Mr. Hoon: I will give way in a second.

Indeed, the need for new capacity was recognised by the Opposition when they were in government. As recently as 1995, my predecessor, the noble Lord Mawhinney, told this House that he recognised there was

"a strong case for additional runway capacity in the south-east".—[*Official Report*, 2 February 1995; Vol. 253, c. 859W.]

Several hon. Members *rose—*

Mr. Hoon: I will give way in a second.

So one might well ask what has changed since Lord Mawhinney uttered those words to the House on behalf of a Conservative Government. I will tell Members what has changed. In 1995 there were 700,000 flights—

Mrs. Villiers: Will the Secretary of State give way?

Mr. Hoon: In a second.

There are now more than 1 million flights a year. That is what has changed—the need for new capacity has got greater. And in response, the Opposition have collapsed into incoherence on the issue. Airport capacity throughout the United Kingdom was fully explored in the run-up to the 2003 White Paper. At the time, that was the largest transport policy consultation we had ever undertaken, attracting around half a million responses. The scale of the consultations to date clearly illustrates how important aviation is to the country and to the lives of the many people it touches directly or indirectly. It also highlights the vital need for the Government to take long-term, strategic approaches to future UK airport capacity. These are not questions that can be fudged for politically expedient reasons.

Mr. Gummer: Does the right hon. Gentleman not accept that what has changed is that we now understand the threat of climate change? A Climate Change Bill is passing through Parliament, and his right hon. Friend the new Secretary of State for Energy and Climate Change has said that unless Britain plays its part in the coming Copenhagen meeting, there will be no solution. To have a consultation that excludes the wider environmental issues is a sham. We are talking not about narrow, party political or local issues, but the future of Britain and the world.

Mr. Hoon: The right hon. Gentleman has an extremely distinguished record on such matters and has consistently argued his case on environmental protection. Sadly, he has rarely influenced his Front Benchers, either in government or since the Conservatives have been in opposition. *[Interruption.]* Conservative Front Benchers scoff, but the right hon. Gentleman has consistently and rightly argued for European and international co-operation on protecting the environment. Conservative Front Benchers have singularly failed to address those matters. Unless they deal with the need for European co-operation to protect the environment, their policies amount to nothing other than "cheap, populist clap-trap", to quote the hon. Member for South Staffordshire (Sir Patrick Cormack).

Mrs. Villiers: I am shocked that the Secretary of State refers to the Conservative party's stance as "cheap, populist clap-trap". It is not cheap, populist clap-trap to want to stand up for the quality of life of millions of people who live around Heathrow. It is not cheap, populist clap-trap to care about the way we deliver the 80 per cent. cuts in carbon emissions that the Government signed up to only weeks ago.

Mr. Hoon: The hon. Lady is a distinguished former Member of the European Parliament. In those days, I know that she valued European co-operation—she sought to be elected to the European Parliament. Somehow, she appears to have abandoned her commitment to Europe since then.

Several hon. Members *rose—*

Mr. Hoon: I shall make a little more progress because I am deeply disappointed by the Conservative party's stance, which, I fear, is driven more by the need for short-term headlines than the country's long-term needs.

Sir Patrick Cormack (South Staffordshire) (Con): Having been misquoted, let me say that I do not believe that what the Secretary of State is saying is populist, but it is certainly clap-trap.

Mr. Hoon: I came into the Chamber and heard the hon. Gentleman use the phrase "populist clap-trap" in describing the proposals made by one of his colleagues. I apologise unreservedly for applying it to a different colleague—though the effect is the same.

The 2003 White Paper sought to provide a strategic framework for the development of aviation in the United Kingdom over the next 30 years. It offered a measured and balanced approach to the question of forecast growth, while dealing with the impact of aviation on our environment, including its effect on climate change.

After careful consideration, the Government decided to support the provision of just two new runways in the south-east, for which the overall case was strongest, and we also supported the development of the United Kingdom's regional airports.

Mr. Mark Hendrick (Preston) (Lab/Co-op): If aviation emissions are included in any EU emissions trading scheme, will Britain not have to meet and stick with the targets, whether a third runway is built at Heathrow or not?

Mr. Hoon: My hon. Friend is right, and I will deal with that shortly. Notwithstanding the bluster from those on the Opposition Front Bench, the Government have led the way in arguing the case for including aviation and shipping in the European emissions trading scheme, and we have succeeded in those negotiations.

David Taylor (North-West Leicestershire) (Lab/Co-op): My right hon. Friend spoke about a strategy for developing aviation. Would not any half-decent strategy include economic factors? Should not those economic factors include, for example, the £9 billion that the aviation industry gains from its tax-free status for fuel and freedom from VAT? Why do we not factor in the costs of community destruction and climate change, noise and air pollution, as the White Paper did not? It is not too late to do so now.

Mr. Hoon: That is the precise approach for which Stern argued in his report. He said that there was an economic cost to pollution. I assure my hon. Friend that that is built into our assessments.

I want to deal with the wider context because aviation has enjoyed remarkable growth in recent decades. The increase in the number of flights and of worldwide destinations that can be reached from UK airports has greatly benefited British business, offering faster and more convenient connections to global markets. That is crucial for a trading nation in a global economy.

Just as important—this is sometimes forgotten in debates about airport development—is the fact that the growth of aviation has helped to democratise air travel. More people than ever can now travel abroad at lower cost. At our regional airports, such as East Midlands airport, the destination board looks positively exotic, with regular flights to everywhere from Goa in India to Dalaman in Turkey to Banjul in The Gambia. Previous generations of ordinary hard-working families would not have imagined such mobility and freedom possible.

Norman Baker: Will the Secretary of State give way?

Mr. Hoon: In a second.

Today, international travel is no longer the preserve of the wealthy, although it is fair to say that the better-off are taking advantage of far more flights than even they might have made in the past. However, the real point is that everyone is benefiting. The number of international flights taken by UK residents more than trebled between 1986 and 2006. That meant that in 2006, UK residents made on average one international flight a year, whereas in 1986 that figure was one flight between three people. In the past 12 months, more than half the population took at least two flights.

To illustrate what that means in practice for our constituents, let me take an example chosen not entirely at random. The latest census data show that the leafy north London seat of Chipping Barnet has a population of 103,000 people. Using those UK averages, we can calculate that more than 50,000 constituents of the hon. Member for Chipping Barnet (Mrs. Villiers) took at least two flights in the past 12 months. Of course it is also important to bear in mind the fact that some 50 per cent. of the hon. Lady's constituents are in managerial occupations and so tend to use air travel even more.

I hope that the hon. Lady will be explicit to her constituents about the implications of her party's position: less frequent, less reliable and more expensive flights. Moreover, she will have to explain to her constituents that if she gets her way, instead of making the 25-mile journey to Heathrow, they will have to get used to flying to Paris or Schiphol for a connecting flight. The number of passengers passing through UK airports has also grown rapidly, from 32 million in 1970 to 241 million in 2007, a rise of around 650 per cent.

Sir George Young (North-West Hampshire) (Con): Has not the growth of low-cost flights been in flights from airports other than Heathrow?

Mr. Hoon: That is of course the case, but the reality is that there is enormous demand for flights from Heathrow that has not been satisfied in recent years. That is precisely why the right hon. Gentleman's former colleague, the noble Lord Mawhinney, made the statement to which I referred earlier. The right hon. Gentleman's Government—the Government whom he consistently supported—were looking at capacity in the south-east in the early 1990s. He knows that full well. Therefore, as a distinguished Member of the House, he ought to be able to explain rather more effectively than those now on his Front Bench why his party's policy has changed so dramatically on the basis of a massive increase in the number of flights, albeit without any explanation of how that capacity will arise.

Norman Baker: Our policy has not changed as a matter of fact, but may I draw the Secretary of State back to the 2003 White Paper, on which he has predicated so much of his speech today? Does he not accept that the world has moved on significantly since 2003, both for the reasons that the right hon. Member for Suffolk, Coastal (Mr. Gummer) gave and because of the potential for high-speed rail and the developments in transport elsewhere? It is simply unwise to rely on a 2003 White Paper to work out what should happen to aviation in 2008. Will he therefore revisit the major concerns, rather

[Norman Baker]

than concentrating this debate solely on the environmental consequences, important though they are, for the communities around Heathrow?

Mr. Hoon: If the hon. Gentleman has studied the White Paper as carefully as I hope he has, he will have noticed that we are talking about the requirements for this country's aviation to 2030. As I have referred to the previous Conservative Government looking into capacity in the early 1990s and concluding by 1995 that Heathrow was already full in a practical sense, let me make it clear that even if we decided to go ahead today, which clearly we will not, it would be at least 2020 before a further runway was available and a further terminal constructed. That means that some 30 years would have elapsed on a decision that was being considered by the previous Conservative Government in the early 1990s.

It is therefore wrong to suggest that the issue can be determined on the basis of this year's or next year's forecast. We are talking about a strategic decision. It is disappointing that the Conservative Opposition have, if the hon. Gentleman will forgive me for saying so, simply adopted the rather short-term approach that is characteristic of the Liberal Democrats.

Mrs. Villiers: Will the Secretary of State give way?

Mr. Hoon: I am not giving way; I am going to make some progress.

In part, the changes that I have outlined are a function of cheaper travel, but they are also a reflection of how the world is changing and getting smaller. Family and friends are travelling between countries more easily, but they are also staying in touch by coming back home from time to time. People visiting friends and relatives account for some 23 per cent. of total air travel today, compared with 15 per cent. in 1995. We may be entering difficult economic times, but it is important to remember, as I have already mentioned to the hon. Member for Lewes (Norman Baker), that we are talking about a long-term strategic issue. The air transport White Paper is a 30-year plan and forecasts must be seen in a similar light.

Fiona Mactaggart: My right hon. Friend is talking about the real impact that is felt by our constituents of the developments at Heathrow and the fact that people are travelling more. My constituents supported terminal 5. At the public inquiry, we were promised a cap of 480,000 flights and told that there would be no third runway. We are now experiencing the consequences of travel to Heathrow along the M4 and inadequate surface transport infrastructure. He has not suggested any plans to deal with that. We cannot contemplate a third runway when we are operating the M4 at 105 per cent. of capacity today.

Mr. Hoon: I will come to the question of public transport and the third test that was set out in the White Paper, so if my hon. Friend can be patient, I will deal with her point in due course.

It is important that we are not planning for this winter or next summer. What Heathrow needs and this country deserves is a long-term, strategic plan for aviation in the United Kingdom.

Susan Kramer: Will the Transport Secretary give way?

Mr. Hoon: I will give way in a second.

We remain confident in the robustness of our forecasts. Indeed, only last year, the right hon. Member for Witney (Mr. Cameron) argued that

"it's unrealistic to think aviation is not going to grow".

I would welcome any indication from the hon. Member for Chipping Barnet that she agrees with that. If she does, she needs to say where the growth will take place. She rejected any expansion at Stansted and Heathrow, so where does the Conservative party believe that expansion is going to take place? This is not only about greater personal freedom.

Mrs. Villiers: Will the Secretary of State give way?

Mr. Hoon: I will give way if the hon. Lady will tell us where she believes expansion will take place.

Mrs. Villiers: I can answer the question by saying that we need to provide a high-speed rail alternative. We can provide a realistic, viable high-speed rail alternative to thousands of the flights that are now clogging up Heathrow.

Mr. Hoon: I will come to that point in a moment, but I notice, as will others in the House, that the hon. Lady failed to answer the challenge that I gave her. She has consistently failed to do so.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): The Secretary of State has repeated that he is interested in a long-term, strategic solution to the problems of British aviation. He is as aware as anyone that the constraint imposed by the Heathrow site—it is surrounded by residential communities and all flight paths have to go over them—means that there must be a limit to its expansion. There cannot simply be more runways and terminals as the years go by. Will he give some thought to, for example, a feasibility study for a Thames estuary airport or some equivalent? Aviation will doubtless grow. Such a study would enable us to feel that, in the long term, there could be a solution that could enable it to grow without causing untold misery for all the communities that are currently affected by it.

Mr. Hoon: I will deal with the proposals for an estuary airport in due course, but may I make clear to the right hon. and learned Gentleman that some 400 different sites were considered in the run-up to the production of the 2003 White Paper? That included a significant number of potential sites in the estuary as well as others close by, on the land abutting the estuary. He is not able to say with any accuracy that the Government have failed thoroughly to consider that, because it was thoroughly considered in the run-up to the 2003 White Paper.

Several hon. Members *rose—*

Mr. Hoon: I am going to make a little more progress before I give way again.

I have been describing the expansion in the demand for aviation. It is not only about greater personal freedom and keeping in touch with far-flung friends and family. Aviation in general continues to make a significant

contribution to the UK economy. It brings in around £11 billion a year, and it supports 200,000 jobs directly, and many more indirectly.

As one distinguished commentator from *The Times* has said:

"If we're going to remain competitive in the future, then of course we're going to have to ensure that we have the capacity to allow goods and individuals to move freely into and out of this country".

Who am I to argue with the insight and wisdom of the hon. Member for Surrey Heath (Michael Gove) on this matter? It is therefore crucial that we continue to protect Britain's position and plan for the long term. To those who propose that we sit on our hands and do nothing, I ask: what are the alternatives? Are we to ration flights? Are we to go back to a situation in which only the rich can travel abroad, a policy that many Opposition Members actually favour? The practical consequence of their policy would be to export jobs to the continent. That is what would happen if the Conservative party got its way. Those are the real questions for this debate which the Conservative party must address and answer.

Mr. Bernard Jenkin (North Essex) (Con): The right hon. Gentleman referred earlier to the Government's consideration in the 2003 White Paper of the possibility of a Thames estuary airport. Does he accept that the Government did not consider those proposals with anything like the enthusiasm they are now showing for the Heathrow proposals, and that there has not been any serious consideration of a Thames estuary proposal since the Roskill commission in the early 1970s? Will the right hon. Gentleman tell me the name of the engineering consultancy employed by the Government to consider those proposals, for example?

Mr. Hoon: The hon. Gentleman knows full well that proposals for constructing a major hub airport in the Thames estuary have been made every decade for the past three decades. The proposals have been considered, examined and, unfortunately, found wanting. They were given proper and serious consideration, but I accept that the issue will come up again and again; I shall return to it later.

Mr. Chris Mullin (Sunderland, South) (Lab): What worries me—I was an aviation Minister for 18 undistinguished months—is that my right hon. Friend's argument seems to presume unlimited expansion. If I learned one thing in my 18 undistinguished months, it was that the aviation industry had plans for unlimited expansion. After we were elected, the industry inserted the word "sustainable" before its plans but went on to repeat all the same demands. Sooner or later, politicians are going to have to say no. Should we not be looking into ways of managing demand rather than predicting and providing for it?

Mr. Hoon: I assure my hon. Friend that we are not predicting and providing, but he must recognise that we are having this debate because his constituents, my constituents and those of every right hon. and hon. Member in the House want to travel by plane—and have had the opportunity to do so in recent years. I accept some constraints on their ability to do so, not least because of the issues raised in the debate so far, but we all have to face up to the fact that it is our constituents who are demanding that capacity. Without such demand, the airlines and airport operators would not have responded as they have.

Mrs. Theresa May (Maidenhead) (Con): The right hon. Gentleman talks a lot about the consideration that the Government are giving to our constituents, so let me tell him that my constituents want the Government to consider the impact of a third runway at Heathrow on their quality of life. If it goes ahead or if the Government abandon runway alternation, the quality of my constituents' life—not only those living close to Heathrow in Maidenhead or Cookham, but those further afield in Wargrave, Twyford and north Woodley—will deteriorate significantly. There is particular concern about night flights, so will the Secretary of State take the opportunity to guarantee that, whatever the Government do about capacity at Heathrow, there will be no increase in night flights?

Mr. Hoon: We have not consulted on that matter and it is not a decision that we have to take. *[Interruption.]* Let me make it clear to the right hon. Lady that that is not the issue. If she wants to appear in the local paper, scaremongering in the manner that she does, that is fine, but we are dealing with the serious matters that are the subject of consultation today. The right hon. Lady needs to think about the fact that more than half of her constituents—probably considerably more than half, given the demographic profile that she represents—will use Heathrow and other British airports pretty regularly.

I shall deal further with the issue of Heathrow acting as a hub in a few moments, but the logical consequence of Conservative party policy is clear: more and more constituents who want to use Heathrow will be told that the only way of getting the connecting flight they want is to go to Schiphol, Paris or Frankfurt. *[Interruption.]* I see that the hon. Member for Chipping Barnet shakes her head, but that is already happening. The number of British citizens who have to take connecting flights to travel to the continent, simply because the capacity at Heathrow is not available, has increased significantly. *[Interruption.]* The hon. Lady still shakes her head, but she needs to look carefully at the statistics.

Heathrow has a unique position in British aviation. It is the United Kingdom's only hub airport, and it has seen dramatic growth in recent decades. It serves two thirds of all our long-haul routes, and operates the United Kingdom's only direct air links to world cities such as Mumbai, Shanghai, Beijing and Sao Paulo. It serves some unique destinations from the United Kingdom, including San Francisco, Mumbai—which I mentioned a moment ago—Miami, Tokyo and Sydney. That is possible only because Heathrow is a hub airport. As such, it caters for a mix of short-haul and long-haul services to a wide range of destinations, attracting large numbers of passengers connecting from one flight to another.

Susan Kramer: Will the Secretary of State give way?

Mr. Hoon: I will when I have finished making this point.

The existence of those connecting passengers means that airlines can operate routes that might not otherwise be viable. It also means that operators can offer greater

[Mr. Hoon]

choice and more frequent services than they could if they relied only on meeting local demand or providing "point to point" services. Without the connecting passengers, we could lose flights from Heathrow to destinations such as Seattle, Bangalore and Riyadh.

Heathrow also serves crucial domestic markets. *[Interruption.]* The hon. Member for Chipping Barnet is muttering away. If she listens she will understand the argument, but it is quite important for her to listen first of all.

There are 10 United Kingdom airports served by Heathrow, including cities that are vital to the regional economies of this country such as Aberdeen, Belfast, Newcastle and Glasgow. Links to Heathrow are essential to enable passengers from those airports to connect with the rest of the world. Unfortunately, however, Heathrow is already losing its ability to serve its many customers across the country as a result of capacity constraints. The number of destinations served by it has fallen by 20 per cent. since 1990. Services to places such as Inverness, Newquay, Plymouth, Prestwick, Guernsey and the Isle of Man have all ceased to operate. Heathrow now serves around 184 destinations compared with Amsterdam's 233, Paris's 244 and Frankfurt's 289, and without additional capacity its position will be eroded even further.

If I had to highlight one statistic that underlines Heathrow's importance to the United Kingdom's economy, it would be the statistic that more than 70 per cent. of foreign companies moving to the United Kingdom for the first time choose a location within an hour's journey of Heathrow.

Susan Kramer *rose—*

Mr. Hoon: The problem is that Heathrow's runways are already full. The airport is operating at around 99 per cent. capacity, compared to between 70 and 75 per cent. at airports such as Charles de Gaulle, Schiphol and Frankfurt, whose spare capacity provides an attractive alternative for any future business if the United Kingdom cannot provide it. That will mean the steady erosion of Heathrow's position and the loss of British jobs, which will be exported to continental airport hubs following the long-haul flights.

Susan Kramer *rose—*

Mr. Hoon: This is the policy of the Conservative party: to constrain growth at our only hub airport. For an anti-European party to be exporting British jobs to the continent is a disgrace, and the hon. Member for Chipping Barnet knows it.

Susan Kramer *rose—*

Mr. Hoon: I will give way.

Susan Kramer: I thank the Secretary of State for noticing me. If he looks at his own technical documents, attached to the consultation, he will find that leisure demand is driven primarily by fares, and specifically by cheap fares. We have cheap fares because aviation is so heavily subsidised. If it were properly priced, the demand that the Secretary of State has just claimed to be the basis for Heathrow would not exist. As for business demand, if he talks to firms he will find that they require a sufficiency of destinations. They do not require the ability to travel to every destination on the globe. That is why, although the number of destinations has fallen, business in London has increased at exactly the same time.

Mr. Hoon: I am not at all surprised by the Liberal Democrats' propensity to damage British business. What disappoints me deeply is that an Opposition party that aspires to government should want to damage business so irrevocably. The hon. Member for Chipping Barnet shakes her head, but I have a stream of quotations from senior business people who are appalled at the position that the Conservative party has taken, and cannot understand why the interests of British business are being so seriously damaged by a policy that the hon. Lady has advocated.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): I agree with my right hon. Friend about the importance of capacity to United Kingdom airlines, and about the importance of international links. Does he accept that one of the constraints on flights from many of the international destinations that he has described—which are in different time zones—is the restriction on night flights that must inevitably apply on a site such as Heathrow, which is surrounded by a large resident population? Does he also accept that that constraint could be overcome only through unacceptable noise nuisance, which would have an horrendous impact on the lives of people living around the airport? That is the argument for considering an alternative site, for example in the Thames estuary, which would not be so constrained.

Mr. Hoon: I will come on to the Thames estuary in due course, but I have already made it clear that we are not debating night flights or an extension of such flights. That matter was resolved in 2006, and there is no requirement on us to discuss it again.

Martin Linton (Battersea) (Lab): Will the Secretary of State give way?

Mr. Hoon: I will do so shortly.

It is important that we answer the question of how we can improve the United Kingdom's competitive position in aviation. We will need to continue to invest in public transport to and from Heathrow. A good proportion of Heathrow's passengers already access the airport by public transport; about 38 per cent. do so, which compares well with many airports, but we want to see that increased. BAA plc has already taken concerted action to improve public transport links at Heathrow with the Heathrow Express and Heathrow Connect services from Paddington, and now the £16 billion Crossrail project will join Heathrow to the City and Canary Wharf. That link will provide much-improved access to Heathrow for thousands of passengers and airport workers. When it is complete in 2017, Crossrail will carry four trains an hour into Heathrow for most of the day, cutting journey times across London and the south-east, strengthening international links and tourism, and supporting the economy. We have committed more than £5 billion to deliver Crossrail, and last week BAA confirmed a £230 million funding package for the scheme, representing a major step forward in its delivery.

This is not the only step that is necessary, however. We are also looking to the London Underground public-private partnership to deliver important enhancements to Piccadilly line services, with an increase of up to 25 per cent. in capacity from 2014. We are looking, too, at new rail links, such as Airtrack, which would provide direct rail access from terminal 5 to the rail network south-west of the airport and Waterloo, Guildford and Reading, as well as the potential for new high-speed lines.

Several hon. Members *rose—*

Mr. Hoon: I will give way shortly.

As a result, some people have asked why we need any more capacity at Heathrow; that is the position the official Opposition have adopted. Why cannot we simply curb domestic flights by investing in high-speed rail? It makes sense, of course, to use rail where this provides a viable, practical and cost-effective alternative. Passengers know that and, to a large degree, they are already taking those decisions for themselves. For example, the proportion of London to Manchester journeys is now two thirds by rail as against one third by air. In 2004, before the £8.8 billion investment this Government made in the west coast main line, the position was the reverse.

Several hon. Members *rose—*

Mr. Hoon: I will give way once I have completed this point.

As a result of Eurostar and the high-speed line through the channel tunnel, London-Paris flights are down by more than 20 per cent. since 2000. I am, therefore, a big fan of high-speed rail, but it is wrong to suppose that a national network of high-speed lines in the UK could replace more than a fraction of Heathrow journeys, or provide a substitute for a third runway. Apart from anything else, domestic flights make up less than 10 per cent. of the airport's traffic. The number of flights between Heathrow and Manchester and Leeds-Bradford last year was less than 3 per cent. of Heathrow's total number of flights, with approximately 13,000 over the past 12 months. Even if every single one of those passengers was transferred on to a new high-speed rail line—which is the Opposition's policy—Heathrow would still be operating at 97 per cent. of capacity, so high-speed rail could only ever make a modest reduction in that figure. As Richard Lambert, director general of the CBI, has said,

"a high speed rail link would have a lot going for it, but don't think for a minute that it will solve the capacity problems at Heathrow. We need to have a third runway at Heathrow, as long as all the environmental conditions are met".

I could not have put it any better.

Positing airport growth and high-speed rail as alternatives is an entirely false and bogus choice. I hope the hon. Member for Chipping Barnet will accept that. We need to make progress on both.

Mr. David Wilshire (Spelthorne) (Con): I am grateful to the right hon. Gentleman for giving way. Before we lose sight of his comment on Airtrack, may I ask a question? That route will largely go through my constituency and will have a major new station at Staines. Does he agree that it will not only help passengers to get off the roads, but it will also help a very large number of people who work at Heathrow and live in my constituency and neighbouring constituencies to get to work by train, which they cannot do at present?

Mr. Hoon: The hon. Gentleman makes a practical and serious point, which needs to be thought about in relation to the wider issues to do with airport expansion. We must not lose sight of the fact that some 70,000 people are employed at Heathrow and a further 30,000 people's livelihoods are dependent on it.

Mr. Nick Hurd (Ruislip-Northwood) (Con): The Secretary of State has been on his feet for 40 minutes or so—it has felt longer—yet the words "climate change" have not fallen from his lips. Does he not understand that there is profound concern in the House that an emissions trading scheme that has so far categorically failed to reduce emissions will be inadequate for the task of controlling the fastest-growing source of emissions? Does he not appreciate that for many of our constituents the decision to give a green light to Heathrow's expansion makes a mockery of the Government's climate change strategy?

Mr. Hoon: I do not accept that for a moment, and I shall deal with the environmental arguments in due course. Although I have been on my feet for a while, I have been answering questions as well as making a speech. Given the hon. Gentleman's implicit criticism, I shall make some further progress.

I need to deal with the suggestion that Heathrow might be replaced with a new airport in the Thames estuary. As I have said, 400 potential locations for a new airport in the south-east were assessed ahead of the 2003 White Paper, including a number in and around the Thames estuary area. After detailed analysis of the costs and benefits, the Government decided against a completely offshore airport, but consulted on a serious proposition for a new four-runway airport at Cliffe in north Kent. After careful consideration, that proposal was rejected for three major reasons—high up-front costs; lower benefits than the options for the development of existing airports; and a significant risk that the site would not be financially viable—and it should be noted that it was the best of the options for a completely new airport. The bird populations in the area were also a significant consideration, given the significant safety implications arising from the risk of bird strike.

I know that the new Mayor of London is an enthusiast of that scheme, but I am less clear on the position of the Conservative party. Just last Friday, the right hon. Member for Maidenhead (Mrs. May), to whom I would be delighted to give way, was asked whether her party liked the Mayor's plan. Her answer was "That's Boris's proposal", which reveals the chaos and confusion on the Benches opposite. I hope that the hon. Member for Chipping Barnet will today be able to clarify her party's position on the Thames estuary proposal, once and for all. I look forward to what she has to say.

The arguments against increasing capacity at Heathrow involve the impact on our environment. Some argue that capping capacity at Heathrow will somehow cap the climate change impact. It is clear, for all the reasons I have set out, that if there is not sufficient capacity at Heathrow, the reality is that more and more flights will

[Mr. Hoon]

simply move east to Schiphol, Paris or Frankfurt—other hub airports that are in direct competition for long-haul services. There will be no reduction in carbon emissions; they will simply be displaced and British jobs will be lost.

We should also remember that as Heathrow is now full and operating at 99 per cent. capacity, there is a good chance that without further development we will actually add to the environmental burden: the resilience of the airport will decrease, delays will increase and more planes will be stacked above us using fuel and producing carbon emissions across the south-east of England. The current congestion and lack of capacity wastes fuel and increases carbon emissions.

Lord Stern advocated international emissions trading as a central part of plans to reduce carbon emissions, and that is precisely the approach that this Government have pursued. We have been working hard over recent years to ensure that aviation is included in the EU emissions trading scheme, and that is exactly what is going to happen from 2012. It means that CO_2 emissions from EU aviation, covering all departing and arriving flights, will be capped at 97 per cent. of average 2004 to 2006 emissions in 2012, tightening to 95 per cent. in 2013. As a result, any growth in aviation emissions from the expansion of Heathrow would be fully offset by a reduction in emissions elsewhere. Moreover, the scheme would be EU-wide, affecting all EU hub airports equally. It is simply wrong to say that more planes at Heathrow means there will be more CO_2 emissions overall.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): May I just return to the idea of the Boris airport off the Isle of Sheppey? The Secretary of State has hinted that the Cliffe report shows that without a new M2 and a brand new rail track it would be impossible to get 100,000 people to Cliffe or to Sheppey, and, moreover, it would be impossible to get 185,000 people a day to an island airport. The crux of the matter is that no extra money is being offered by the Mayor of London, and that he would use only the existing communications system, which is already overloaded.

Mr. Hoon: My hon. Friend makes a very powerful point; the Conservative party, in its various guises, whether in support of the Mayor of London or not, seems to have completely overlooked the fact that 70,000 people work at Heathrow and a further 30,000 work in the immediate vicinity, and they will have to find a way to the Thames estuary if they are to continue in employment—although, historically, the Conservative party has not much cared about people's employment prospects

Bob Spink (Castle Point) (UKIP): Will the Secretary of State nail the lie on Cliffe and say that the Government will not reopen consideration of that site? Will he also ignore the siren voices of Conservatives on a new Thames estuary airport? Can he tell us whether any capacity is available in regional airports to take flights out of London Heathrow and the other London airports, especially inclusive tour and holiday flights, because it is economically and environmentally nonsense for such flights to go from London?

Mr. Hoon: There may be capacity in some other airports, but that suggestion overlooks the unique position of Heathrow as a hub airport. Most major developed countries have one airport that acts as a hub, allowing their citizens to travel on from regional and local airports and make a connection with international flights. Historically, British Airways tried quite hard to use Gatwick as a separate hub, but for financial reasons that was unfortunately not possible. If we look at a map, it is apparent that very few countries are able to sustain more than one hub airport: there simply is not the regularity of flights necessary to support such a situation.

Several hon. Members *rose—*

Mr. Hoon: I must reach a conclusion.

The global environmental issues that I have mentioned are also important in terms of the potential local impacts on people in and around Heathrow. That brings me back to the consultation we completed this year and the conditions contained in the air transport White Paper. The "Adding Capacity at Heathrow Airport" consultation was a vast exercise, publicised extensively online and through local and national media. The Department for Transport sent out more than 217,000 summary documents to households in the Heathrow area. In addition, the Department held a series of public exhibitions from Hounslow in the east to Windsor in the west to West Drayton in the north. The Department also published 14 technical reports containing the evidence that we relied on.

More recently, we also completed a further consultation on the potential equalities impacts associated with Heathrow development. This examined the possible differential impacts on equality priority groups by reason of race, age, gender or disability, and closed last week.

We made it clear in the 2003 White Paper—and repeated in last November's consultation on "Adding Capacity at Heathrow Airport"—that our support for further development at Heathrow was subject to the three critical tests on air quality, noise and public transport. In the November consultation, we set out the results of our analysis and showed how we believed those conditions could be met in the future under the various development options, and we invited views, both generally and in response to specific questions.

The first condition concerns air quality. We do not intend to compromise on our European air quality obligations, especially concerning local nitrogen dioxide limits, the key pollutant of concern around Heathrow.

Several hon. Members *rose—*

Mr. Hoon: I shall make a little more progress.

The key factor affecting local air quality around Heathrow is actually emissions from road vehicles. Our analysis shows that even immediately outside the airport, nitrogen dioxide emissions from road vehicles in 2002 exceeded that from airport sources, and near the M4, nitrogen dioxide from road use represents 70 per cent. of the total nitrogen dioxide emissions, with aviation accounting for only 4 per cent. That does not mean—*[Interruption.]* I am not giving way. That does not mean that we take the issue any less seriously because of the source—it simply means that we have to keep working just as hard to make sure that we mitigate such effects no matter what the source of emissions.

Reports that we are seeking to abrogate from our responsibilities in this area solely in order to promote expansion at Heathrow are completely and utterly wrong. Along with many member states, we recognise that we face a stiff challenge in meeting European air quality limits by the deadlines originally envisaged. The new directive on ambient air quality and cleaner air for Europe, adopted in June, allows additional time for member states to meet the limit values for both particulates and nitrogen dioxide. We have an extra five years, to a target date of 2015, subject to Commission approval of a plan for securing compliance for nitrogen dioxide. The Dutch have already applied for this flexibility until 2015 and other member states will certainly follow suit. In the United Kingdom the problems are mainly to do with existing pollution from traffic in Greater London, including around Heathrow, and traffic in other major cities across the country. They are not to do with decisions about future capacity at Heathrow.

The second condition is a commitment not to increase the size of the area significantly affected by aircraft noise, as measured by the 57 dB noise contour in 2002. The Department for Transport works closely with industry to reduce noise and emissions wherever it can. Some of the progress we have made to date can already be seen in today's modern aircraft. For example, the double-decker Airbus A380 generates no more departure noise than the Airbus A340-200 or A340-300 despite being more that twice their size. The number of people within the 57 dB noise contour has fallen by more than 80 per cent. since 1975, from around 2 million to just over a quarter of a million, despite an increase of more than 70 per cent. in the number of flights.

We can and we fully intend to do more. That leads me to the other condition included in the White Paper, which was the commitment to improve public transport access to the airport. Again, we set out in the consultation documents our assessment of the prospects for improving public transport access, especially by rail. I have already set out the range of measures that we have in progress, but we made it clear that, in the event of a confirmed policy decision to support expansion, it would be for the airport operator to develop a comprehensive transport assessment working with the Highways Agency and local authorities as appropriate.

We are not just thinking about Heathrow in isolation. Improving access to the airport is part of a long-term strategy for this country's transport network as set out in our "Towards a Sustainable Transport System" document.

Mr. Robert Marshall-Andrews (Medway) (Lab): The Secretary of State talks about not increasing the area in which noise will be a significant blight. Does he not understand that area is only one of the parameters? The other is the extent and the timing of the noise. One of the things that concerns most people about Heathrow is the end of runway alternation. At the moment, at least half of their days are silent. For the other half, of course, they live with aircraft noise, because of where they live. Does he not understand that area is immaterial? It is the timing of the noise that is important. Will he address that problem?

Mr. Hoon: I addressed that earlier in my remarks, when I referred to mixed mode. The consultation exercise in relation to mixed mode will certainly have the effects that my hon. Friend describes. It increases the resilience and capacity of the airport, and so it also means that the likely interval between flights will be reduced because of the greater flexibility that mixed mode would offer. Mixed mode would have a significant effect. That is why we are consulting about it, and why that decision will be subject to precisely the same conditions, which I have set out, as any decision to go ahead with either mixed mode or the third runway in combination. I have addressed those matters, but I am grateful to my hon. Friend for emphasising them.

Martin Salter (Reading, West) (Lab): May I take the Secretary of State back to the aviation White Paper in 2003, and two specific points? The first concerned the need to improve surface access to Heathrow and the second was a solemn commitment that:

> "The Government's under-pinning objectives are to...reduce noise impacts over time, to ensure air quality and other environmental standards are met".

Does the Secretary of State not realise that five years down the track we do not have a single fast-track public transport link to Heathrow airport from the west, and so any increase in capacity will increase carbon emissions and gridlock? We are already asking for a derogation from the European air quality standards, so we do not have a snowball's chance in hell of meeting the solemn objective set out in the White Paper in 2003.

Mr. Hoon: I have already set out the conditions that are required and the way in which they can be satisfied. I accept that part of the assessment that has to be made is that we have to be satisfied that those conditions can be met and can be met within the appropriate time frame.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): The Northern Way group of regional development agencies is totally in favour of putting together high-speed rail service connections from the west and the east to Heathrow airport, but it is also in favour of maintaining, improving and expanding the air connections too. It is not a case of either/or, but both.

Mr. Hoon: I am grateful to my hon. Friend. I said something very similar earlier. I do not believe that the Conservative party is sensible to pose the two options as alternatives. It is important that we develop a high-speed rail link alongside taking important decisions about airport capacity across the UK. That is why we have been through one of the most comprehensive and thorough consultation exercises ever undertaken. That is entirely appropriate, as we are looking at policy decisions of crucial importance to west London, the south-east and the UK as a whole.

Taking all the issues into account, we have carefully analysed all the responses that we have received, either in written submissions or online. We are in the process of updating our assessments, taking into account all the information that we received during the consultation, as well as recent economic developments. It has been a massive effort that has stimulated a huge volume of data and opinions. As I said earlier, I am aiming to announce my conclusion to the House before the end of the year.

I am very conscious that we need to take account of all the available evidence before taking decisions. We have heard a range of views on the issue of Heathrow expansion, not just from people and businesses located close to the airport but from others right across the UK.

[Mr. Hoon]

I am grateful for the opportunity of this debate and I look forward to responding to points where I can, although I hope that the House will recognise that I may sometimes be constrained in my replies to ensure complete fairness and transparency. [*Interruption.*] Nevertheless, I assure the House that I will reflect fully on all the issues that have been expressed on these questions before reaching my conclusion.

4.41 pm

Mrs. Theresa Villiers (Chipping Barnet) (Con): I am actually quite new to the House, having been a Member for only three years, but in that time I do not think that I have ever seen a Secretary of State more isolated in a debate. The right hon. Gentleman asked me several times whether I was listening to what he was saying, but I wonder whether he has been listening to what his colleagues are saying. Has he listened to the 70,000 people who responded to the consultation, or to the thousands of our constituents who send postcards to us every day about the urgency of tackling climate change? I think that the Government are deaf to the concerns of people in this country about the environment.

Ms Angela C. Smith: Will the hon. Lady give way?

Mrs. Villiers: No. I will in a moment, but I want to kick off with my remarks.

Labour's determination to press ahead with a third runway at Heathrow is deeply misguided. If the Conservatives win the next general election, we will scrap Labour's plans for a third runway at Heathrow. We will also scrap the Government's proposal to end runway alternation at Heathrow. The simple fact is that the environmental and social costs of a third runway outweigh its potential economic benefits.

Ms Smith: Will the hon. Lady give way?

Mrs. Villiers: No, not at the moment. The potential economic benefits of a third runway are unclear and unproven. We recognise the importance of the aviation and aerospace industries and the major contribution that they make to our economy in providing both jobs and world-beating technological advances. We also understand the benefits of flying and its importance to families across the country. We want to make Heathrow better, not bigger, so that we have the top-class international airport that we need for business competitiveness and for holidaymakers, but without the negative environmental impact of a third runway.

Ms Smith: Will the hon. Lady give way?

Mrs. Villiers: Yes, I should be delighted to.

Ms Smith: I thank the hon. Lady for giving way. She has mentioned the environmental impact of a third runway at Heathrow, but has she also looked at the impact on jobs if capacity at Heathrow or somewhere else in the south-east is not increased? Some 200,000 people are employed either directly or indirectly as a result of Heathrow, and 1.1 million passengers a year connect into Heathrow via the north.

Mrs. Villiers: I well understand the economic issues in connection with Heathrow. There is absolutely no evidence that those jobs at Heathrow will start disappearing unless there is the major expansion that the Government plan. There is no evidence to suggest that Heathrow will go into terminal decline if it does not get a 46 per cent. increase in flights.

A third runway at Heathrow would mean that there would be 220,000 more flights there every year, which amounts to a 46 per cent. increase from current levels. It would be the equivalent of bolting on to Heathrow a new airport the size of Gatwick. An increase on that scale would clearly make it significantly harder to deliver the 80 per cent. cut in carbon emissions to which the Government signed up just a few short weeks ago.

Labour's own advisers on the environment have asked the Government to think again. The Sustainable Development Commission has strongly disputed the data underpinning the Government's whole aviation strategy. Chris Smith, Labour's choice to head up the Environment Agency, has directly challenged the case for a third runway. The hon. Member for Reading, West (Martin Salter), who, I believe, is Labour's vice-chairman for the environment—at least he was this morning; I am not sure whether he still is—has signed early-day motion 2344, calling for the Government to think again, as have 51 of his colleagues on the Labour Back Benches.

The environmental concerns are not confined to climate change. A 46 per cent. increase in flights would blight the lives of thousands of people because of the increased aircraft noise and pollution. Heathrow's proximity to the M4 and the M25, two of the busiest roads in Europe, means that pollution from the combined effect of aviation and road transport is already a very serious problem around the airport, even at its current size. The Government's 2007 revised air quality strategy confirms that the airport is already in breach of the rules in the EU air quality directive, which should become legally binding by 2010. I fail to see how Heathrow could possibly handle another 222,000 flights, or have any chance whatever of complying with the directive.

Mr. Hoon: The hon. Lady said that she was aware of the economic consequences of capacity problems at Heathrow. Will she explain why, if there are no capacity problems, the number of international destinations served by Heathrow fell from 227 in 1990 to 180 in 2006, and why the number of domestic airports served by Heathrow has fallen from 18 in 1990 to nine? Amsterdam serves 21 United Kingdom airports; Heathrow, by comparison, serves nine. What explanation does she give for that change, if it is not the result of capacity constraints?

Mrs. Villiers: One of the reasons for that change is BAA's decision to try to sweat the more profitable routes at the expense of the less profitable ones. *[Interruption.]* No, we all accept that there are capacity issues at Heathrow, and that it is a crowded airport. The Conservatives have presented a credible plan to relieve the overcrowding problems by providing a viable, high-speed rail alternative to thousands of the flights clogging up Heathrow. That would free up slots and make Heathrow a much better airport.

Mr. Andrew Pelling (Croydon, Central) (Ind): Will the hon. Lady accept my congratulations on the leadership that she has shown in the internal debate within the

Conservative party, which led to us securing this policy position? Does she accept, albeit perhaps with more difficulty, that there are strong arguments, concerning jobs and green transport plans, for Gatwick eventually to have some additional expansion? That would be much more convenient for residents in south London, in terms of shorter journeys, and it would provide extra jobs, as has been mentioned. Gatwick is an important area for employment and extra jobs within the A23 transport corridor.

Mrs. Villiers: I thank the hon. Gentleman for his point. Certainly we will keep the issue under review. We oppose another runway at Gatwick, but I am always happy to hear his representations on these matters.

Mr. Hendrick: Will the hon. Lady give way?

Mrs. Villiers: No, I think I will make a little more progress, but I promise that I will come back to the hon. Gentleman in due course.

To come back to the point about NOx, when we talk about the EU air quality rules, we are not talking about some dry point of EU law. The health damage that NOx pollution causes to people suffering from respiratory conditions is clear. They include the increased risk of early death, in some cases. The Environment Agency has warned of the risk of increased morbidity and mortality if the third runway goes ahead. Neither the Government nor BAA have come up with any convincing plans for the major shift away from the car and on to public transport that would be needed if we are substantially to reduce surface pollution around the airport. BAA has failed to meet the 40 per cent. target that the Government set it eight years ago. Labour's analysis rests on the assumption that there will be such a dramatic step forward in vehicle technology that cars will become clean enough to provide the headroom to allow a major increase in flight movements, as well as to allow the number of car journeys to increase from 67 million to 122 million, as a result of passenger growth at Heathrow, without breaching the terms of the directive.

The Government's assumptions are hopelessly optimistic, and their credibility is further undermined by the documents obtained under the Freedom of Information Act 2000 by my hon. Friend the Member for Putney (Justine Greening)—I shall come to that later. Greenpeace has used the Act to reveal another worrying development—the Government are going to apply for a derogation from the directive. Labour's clear promise that it would not press ahead with expansion if it violated EU air quality rules turns out to be worthless. A third runway would mean a new flight path over one of the most densely populated areas in the country, with thousands more people living with a plane overhead every 90 seconds.

Mr. Hendrick: My right hon. Friend the Secretary of State has already made the point that there has been a reversal of the ratio whereby for every two passengers going to London by air, one passenger travelled by train: it is now the other way round, and the trains are taking most passengers. When, on the odd occasion, I fly from Manchester to London, the plane spends as long circling Heathrow as it does on the journey. Surely, an extra runway would halve emissions from such aircraft.

Mrs. Villiers: The plans that we have set out for a high-speed rail link connecting Heathrow with Manchester and Leeds would provide relief from capacity problems at Heathrow. That would free up slots and relieve the overcrowding problems without a negative environmental impact both on quality of life and on climate change. The Government's plans to scrap runway alternation would rob residents of the precious quiet time that they value so much. They would also have a major negative impact on schools under the flight path, with lessons disrupted by high levels of aircraft noise throughout the day.

Kate Hoey (Vauxhall) (Lab): I am sure that the hon. Lady would agree that it is not just people who live near Heathrow who are affected by the flight patterns and by noise. Many of my constituents who live in Vauxhall, Oval and Stockwell write letter after letter trying to get something done about their early morning wake-up call. They have made it very clear indeed that they do not want another Heathrow runway until that problem has been sorted out, and that has certainly not been done yet.

Mrs. Villiers: I am grateful to the hon. Lady for making that point. Indeed, aircraft noise is already an issue in areas as far apart as Windsor and Camberwell, Brixton and her constituency. A key issue is that the 57 dB contour on which the Government have focused underestimates the extent of the problem. It would be useful for the House to consider the Government's ANASE—"Attitudes to Noise from Aviation Sources in England"—study, which concluded that annoyance sets in at much lower levels than the 57 dB threshold that the Department for Transport uses. Labour spent £15 million of taxpayers' money on that report, which was the first major study of aircraft noise for 30 years. When the Government commissioned it, the aviation Minister at the time said:

> "This new study underlines the Government's commitment to underpin our policy on aircraft noise by substantial research that commands the widest possible confidence."

However, the Government dismissed the study's conclusions as soon as they were published.

Far from commanding the widest possible confidence, the research underpinning Labour's approach to Heathrow is deeply flawed. Yes, planes have become quieter over the past 20 years but, again, Labour has relied on a massive leap forward in aircraft technology to enable it to reconcile its promises on noise with the increase in flight movements that it wants at Heathrow. The freedom of information documents indicate that when the fleet mix data provided to support the air transport White Paper was fed into the Civil Aviation Authority's noise model, they failed the noise test that the Government had set. The documents then show the DFT and BAA working together closely on a subsequent "re-forecasting" of both aircraft types and numbers—a process that went on until a few weeks before the publication of the November 2007 consultation. To all intents and purposes, the projections for the future flight mix were reverse engineered to try to meet the noise and NOx tests, and get the answer that the Government wanted. The document even revealed that Department for Transport officials were worried that the final BAA projections were not credible, but it seems that they did little about it.

[Mrs. Villiers]

I draw the House's attention to a document entitled "ERCD Report 0705", the technical annexe on noise, which was published alongside the consultation. The document makes it clear that the compliant fleet mix that the Government expect to be delivered by 2030 includes a new 450-seat, twin-engine, wide-bodied jet, and that, according to table 2.3 on page 11, the Government assume that, by 2030, that new green jumbo will completely replace the four-engine Boeing 747. Not only that, they assume that it will replace almost all of Boeing's successor to the 747—and it is not even on the market yet. The freedom of information documents reveal that the percentage of four-engine, 747-type aircraft with their higher noise levels was steadily reduced every time the figures were recalculated and failed to produce the result that the Government wanted. That new green jumbo is crucial to the final calculation, but, as BBC's "Panorama" programme highlighted, the plane does not actually exist—it is a virtual plane. When the BBC approached Boeing and Airbus, it was told that the aircraft was not even in their design portfolios, and that neither company had any plans to produce it. It is a fantasy plane.

In the face of major blows to the credibility of their data, all the Government have said is that if the new cleaner and quieter aircraft do not materialise, the airport will simply scale back the flight numbers to meet the 57 dB noise contour area, but, frankly, no one believes a word that the Government or BAA say on flight counts—not after all the broken promises that have been made about Heathrow expansion over the years. It is clear that the Labour party is making every possible effort to try to wriggle out of its promise that expansion at Heathrow would not be allowed to lead to a deterioration in the noise climate around the airport.

Ms Angela C. Smith: I thank the hon. Lady for giving way once again; she really is generous with her time. However, I must challenge the notion that the aerospace industry is not working hard to reduce carbon emissions in construction, because engineering interests in my constituency are working hard to produce better, lighter and stronger aerospace steel to reduce aircraft carbon emissions.

Mrs. Villiers: I am very grateful to the hon. Lady for making that point, and I absolutely agree that the British aerospace industry works incredibly hard at delivering technological advances. I made that point at the beginning of my remarks, and I pay tribute to the industry. Indeed, I believe that aircraft will become cleaner and quieter, but I challenge the Government's assumptions. I do not believe that the Government's predicted time frame for delivering those advances is realistic.

As a result of the revelations in the documents that were obtained under the Freedom of Information Act, it is necessary for us to consider the Government's heavy reliance on BAA's data and modelling. It is a cause for major concern. Leaving aside BAA's obvious commercial interest, why should we believe a word that it says when so many times over the years, it clearly said that it would not seek to build a third runway at Heathrow? One of many examples is a "Dear Neighbour" letter that was sent in April 1999 by Sir John Egan, the then chief executive of BAA. In it, he said:

> "We have since repeated often that we do not want, nor shall we seek, an additional runway. I can now report that we went even further at the Inquiry and called on the Inspector to recommend that, subject to permission being given for T5, an additional Heathrow runway should be ruled out forever."

Mr. Jenkin: I have no criticism to make of BAA for lobbying as hard as it can to get its way, because that is the process, but is it not extraordinary that the Department for Transport appears to have been manipulated in the way that it has? Is it not even more extraordinary that, while my hon. Friend has read out those statistics and an account of how the data were manipulated to get that result, the Secretary of State has sat there on the Front Bench and not contested a single word that she has said?

Mrs. Villiers: My hon. Friend's point is excellent, and I do not need to add to it.

I turn to the alleged benefits of a third runway. The economic arguments simply do not stand up to scrutiny. Their main sources are the 2006 study by Oxford Economic Forecasting and the "Adding Capacity at Heathrow Airport" consultation document. Both contain serious flaws. Neither makes any attempt to include the cost impact of NOx pollution, a point made strongly by the Environment Agency, the Government's own environment adviser. Nor is the cost of noise in the areas around the airport assessed. Anyone who owns a property under the flight path will say that noise has a real financial impact. It has even been reported that Hounslow primary care trust is considering attempting to recoup from BAA the costs of health care for noise and pollution-related illnesses in the borough. Neither document includes the carbon cost of inbound international flights. The consultation document incorrectly lists revenue from air passenger duty as a net benefit to the UK, although clearly much of that would be simply a transfer from the private to the public sector. In its study for the Heathrow Association for the Control of Aircraft Noise, the Dutch economic consultancy CE Delft concludes that Oxford Economic Forecasting considerably overestimates the extent of suppressed business demand for air travel at Heathrow.

Graham Stringer (Manchester, Blackley) (Lab): I have been listening carefully to the hon. Lady. I am not sure whether she knows much more about aviation than she knew about buses during the debate that we had two or three weeks ago. Her point about house prices is simply wrong. I advise her to look at a York Consulting report that studied house prices around prisons and airports. She will find that in fact house prices are elevated, not depressed, because of the economic activity represented by airports.

Mrs. Villiers: That is simply not true. If the hon. Gentleman thinks that noise has no impact on property prices, or that noise impact has no cost, he is not living in the real world.

Adam Afriyie (Windsor) (Con): I am a resident of Old Windsor, and I am clear that aircraft noise and flight paths over homes definitely reduce house prices.

The Oxford Economic Forecasting report was also flawed in not taking into account the extra money that British tourists flying abroad spend beyond what is spent by tourists flying into Heathrow. Having studied economics, I think it absolutely bizarre that the report did not take into account the enormous sum—£15 billion to £18 billion—that leaves the UK in that way.

Mrs. Villiers: I am grateful to my hon. Friend, who makes a valid point. I pay tribute to his hard work on behalf of his constituents on the vexed question of expansion at Heathrow.

Mr. Wilshire: On the issue of house prices, will my hon. Friend accept an invitation to meet estate agents in my constituency? They will tell her that house prices go up because of the area's proximity to the airport.

Mrs. Villiers: I would certainly be delighted to meet my hon. Friend's constituents to discuss Heathrow expansion.

Martin Salter: I may be the only hon. Member here born within a stone's throw of the perimeter fence of Heathrow airport. My hon. Friend the Member for Manchester, Blackley (Graham Stringer) is right: an airport drives economic activity and the prosperity of an area. However, living directly under a flight path is a negative factor and is included in all estate agents' particulars.

Mrs. Villiers: I am grateful to the hon. Gentleman for that point, which is a valid one.

The argument that transfer passengers bring economic benefits is now hotly disputed. Such passengers generally spend no more than the price of a cup of coffee, and the economic case for the new runway falls even further with the increasing challenge to that argument. There is simply no evidence to back up the Secretary of State's claim that Heathrow will go into some kind of terminal decline if it does not become a much bigger hub with thousands more transfer passengers. For example, BAA representatives have repeatedly told me that a pair of Alitalia slots at Heathrow reportedly changed hands last year for £30 million—clear evidence that predictions of the airport's imminent decline do not stack up. There is every reason to believe that even without major expansion millions of people will still want to fly to and from Heathrow.

Norman Baker: I am wrestling with the Government's concept that Heathrow will be badly hit if there is no third runway, with jobs lost and disappearing airlines and flights. However, at the same time they suggest that high-speed rail would make no difference and Heathrow would still be up to capacity if it were introduced. That does not add up.

Mrs. Villiers: I am delighted to find myself agreeing with the Lib Dems. Almost every aspect of the Government's position on Heathrow does not add up.

There is no hard evidence of major job losses arising if plans for a third runway are blocked. Yes, airport facilities can and do have an impact on competitiveness, but they are only one element among many factors that businesses take into account in deciding where to locate. As the aviation lobby repeatedly points out, Frankfurt and Charles de Gaulle have more runways than Heathrow, but I did not hear the Secretary of State claim that the economies of France and Germany have dramatically outperformed ours over the past 10 years or so, as they surely would have done if runway capacity were the critical factor that the Government and BAA claim that it is.

Mr. Hoon: Of course I did not make that claim. These are long-term, strategic decisions that the country expects the Government to take. They are not driven by winning the next election or by appeasing people who are understandably concerned about noise—they are about taking a sensible strategic view. I demonstrated statistically to the hon. Lady the fact that this country is already losing out to Schiphol and Frankfurt. In a horizon that goes to 2030, we would expect a little more of the Conservatives thinking in the long term, and not taking easy, populist decisions. She has to face up to that.

The hon. Lady completely failed to deal with the points that I made about the number of long-distance destinations served by Heathrow having fallen since 1990. Let me give her one further statistic to consider. More people now travel from Manchester to Schiphol than through Heathrow in order to get connecting flights. Why is that? It is because Schiphol has a greater number of destinations available. That will continue, and, in the long term, it will affect the competitiveness of the British economy.

Mrs. Villiers: The Secretary of State wants us to take long-term decisions. I agree that we must take long-term decisions on how we achieve an 80 per cent. cut in carbon emissions. We must also take long-term decisions on delivering a high-speed rail network that could have a huge positive impact economically and environmentally. It is Labour Members who are taking short-term decisions based on data that are flawed and that have been wholly undermined by the "freedom of information" documents that I have discussed.

If runway capacity determined whether a financial sector captured market share, why is London streets ahead of Frankfurt? Why are there more German banks in London than in Frankfurt? What happens if Schiphol and Charles de Gaulle build yet more runways? They have the space to do it. Do the Government expect us to match them—to play a game of indefinite runway poker until even more villages have to be demolished for more and more runways? Where do they draw the line? Would the Secretary of State care to rule out the possibility of a fourth runway, or even a fifth?

Perhaps the most fundamental flaw in the Oxford Economic Forecasting study and the consultation document is that they consider only the status quo versus a third runway, and nothing else. They do not consider alternative ways of dealing with the problems that passengers all too often experience at Heathrow. I believe that in proposing a new high-speed rail line connecting Heathrow terminals directly with Birmingham, Manchester, Leeds and the channel tunnel link to Paris and Brussels, we have found that alternative. Our proposal would relieve overcrowding problems and make Heathrow a much better airport, but without the negative consequences for the environment and for quality of life that would inevitably come with a third runway. It would not only dramatically improve public transport access to Heathrow—evidence from Europe clearly shows that high-speed rail

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provides a viable and attractive alternative to competing flights. For example, Air France has entirely abandoned flying between Paris and Brussels, preferring instead to charter carriages on Thalys high-speed trains. The extension of the Spanish high-speed rail network to the south had a major downward impact on domestic flight numbers. Figures published by BAA confirm that there were about 63,200 flights between Heathrow and Manchester, Leeds, Brussels, Paris, Amsterdam and Rotterdam in 2007.

Mr. Raynsford: Will the hon. Lady give way?

Mrs. Villiers: Not at the moment.

All the destinations I mentioned are ones where it is realistic for high-speed rail to replace flying. BAA's figures are thus consistent with our claim that high-speed rail has the potential to free up landing slots equivalent to about a third of the 222,000 flight capacity of a third runway.

Mr. Raynsford: Will the hon. Lady give way?

Mrs. Villiers: No, I would like to make a bit of progress. I am conscious that Front Benchers are taking up a lot of time, and lots of Back Benchers want to speak.

The potential for substituting high-speed rail for flights is likely to improve significantly with improvements and additions to the high-speed rail network in the UK and the rest of Europe. Furthermore, there is an increasingly widespread acknowledgment that the flight growth forecast made in the 2003 White Paper should be revisited. The White Paper is simply no longer fit for purpose, drafted as it was in completely different economic times and before the urgent need to tackle climate change had forced its way up the political agenda. Eurostar tells us that its high-speed trains emit just a tenth of the carbon of competing aviation. The latest generation of high-speed trains from Alstom are greener still.

Even with a higher carbon electricity generation mix than those figures assume, it is clear that high-speed trains are far greener than planes. Our high-speed link would provide a major boost to jobs throughout the country, but the impact would be particularly strongly felt in the midlands and the north, helping to remedy long-standing imbalances in the economy—imbalances that have seen more and more pressure piled on the south-east with the north left at an economic disadvantage and starved of the transport improvements it needs.

Mr. Tom Harris (Glasgow, South) (Lab): There are more than 50 flights every day between Scottish airports and Heathrow, but the hon. Lady's plans for high-speed trains seem to stop at Leeds. Is there a particular reason why she does not think it important to cut down the number of flights from Heathrow to Scotland?

Mrs. Villiers: Well, the Government's plans do not even make a start on high-speed rail. I can see enormous benefits in having a high-speed link all the way to Scotland, but we have to be realistic about what we can deliver and when. We have to take care to ensure that all our promises are deliverable.

Mr. Hoon: Will the hon. Lady give way?

Mrs. Villiers: Not at the moment—I will come back to the right hon. Gentleman, but I am just answering this point. Our commitment to a high-speed link to Birmingham, Manchester and Leeds is a major step towards a full high-speed network. If the Secretary of State is going to match our commitment, I will be happy to take his intervention.

Mr. Hoon: I am interested in the Conservative party's commitment and in the statistics on which it bases its commitment. The Conservatives talked in their programme about a £60 billion benefit to the United Kingdom. Unfortunately, that is based on a consultant's assessment of a national high-speed network, not the Conservatives' modest proposal. What is the benefit from their proposal, not the consultant's assessment of a national network? There is a complete discrepancy between the statistics that the hon. Lady advocates in her policy and the reality.

Mrs. Villiers: In using that statistic, we have always made it clear that it related to a full, national network, which we want to see built. At least we are making a start—*[Interruption.]* The Secretary of State tells the House, "I'm a big fan of high-speed rail", but he refuses to match the commitment that we have made to building high-speed rail. *[Interruption.]* It is all very well for him to talk about dodgy figures—he is the one who believes in fantasy green planes.

The business case for the new rail link we propose is very strong. There is an industry consensus that the west coast main line will be full to bursting within a decade, necessitating the construction of a new line anyway. There is a huge opportunity to seize the chance to address three problems—the north-south economic divide, chronic rail overcrowding and Heathrow—with a single scheme.

Mr. Tom Harris: Will the hon. Lady give way?

Mrs. Villiers: No, I am sorry, I am about to conclude.

We hope that our scheme will be the foundation of a country-wide high-speed network that will transform the country's transport infrastructure and radically improve our competitiveness. The Government's aviation White Paper is fundamentally flawed, as is their "Adding Capacity at Heathrow Airport" consultation document. Their consultation is a sham—no one believes a word that they say about environmental pre-conditions. They pushed for the terminal 5 flight cap to be lifted when the ink was barely dry on the planning inquiry that imposed it. They said that they would not let their expansion plans violate EU air quality rules, yet today the Secretary of State confirmed that he is applying for a derogation from them. They want to remove all semblance of democratic scrutiny of the ultimate decision on the issue by giving it to an unaccountable quango. They are split down the middle on Heathrow.

On the question of Heathrow expansion, the world has moved on, but Labour has not moved with it. It is on the wrong side of the argument. The Government are wrong about the economics, wrong about the environment and wrong about noise and quality of life. I therefore appeal again to the Secretary of State to see sense, seize the chance to do the right thing and say no to a third runway at Heathrow.

Several hon. Members rose—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the House that a 12-minute limit on Back Benchers' speeches comes into operation now.

5.15 pm

John McDonnell (Hayes and Harlington) (Lab): For literally thousands of my constituents, the debate is too important for party political knockabout or policy making by electioneering.

According to the Government's figures, at least 1,500 of my constituents will be forcibly removed from their homes in the village of Sipson. Another 4,000, in the villages of Longford, Harmondsworth and Harlington, will have their homes virtually surrounded by the airport or the road network. Noise and air pollution will render their homes uninhabitable, and they will lose not only their homes but their communities. Those villages have survived for 1,000 years. They have community halls, churches, a gurdwara, a doctor's surgery and so on. All will be wiped off the face of the earth. The only difference between those communities and others is that they will be sacrificed for BAA's profits.

It has been argued that people should have known before moving into the area that the runway posed a risk. However, we are considering settled communities, with families who go back generations in the area, and successive Governments have assured them that no further expansion of Heathrow will occur. I remember vividly the community meeting that BAA representatives attended. One of them read out the "Dear Neighbour" letter, which gave the assurance that BAA would not seek a third runway if it gained a fifth terminal.

My constituents have been subjected to a litany of lies and deceit about the development of the airport. First, we were told that there would be a runway but no terminal. In works, there was a lobby for a new terminal. Then we were told that the development would encompass only one village; we now know that it will encompass all the villages to the north of the airport.

We have recently seen plans for the road network. To my constituents' distress, one of the roads is planned to go through our local cemetery. The Under-Secretary of State for Transport, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick) assured us in the House that that was not the case, but subsequently had to apologise to the hon. Member for Uxbridge (Mr. Randall) and admit that he was wrong because BAA had supplied the information. I am told that this week I will receive another letter from BAA, assuring me that there will be no road through the cemetery. I will believe that—just as I believed the Sir John Egan letter of several years ago.

When the White Paper was published, the Government gave us assurances that any development had to stand the test, especially for air pollution, that an independent consultation exercise would take place to verify that, and that the process would be peer reviewed. The process was peer reviewed, but the information that went into it was not; it was largely provided by BAA. It reached a farcical level when, as has already been mentioned, fictitious aeroplanes were invented.

I am told that QinetiQ was involved in some of the assessments of the supposedly independent process, yet an advert in the *Financial Times* only a few weeks ago listed it as one of the companies that supports the expansion of Heathrow. BAA tainted the evidence, confidence in the process was undermined and integrity was breached. Ministerial statements, which are so positively in favour of the third runway, are interpreted as pre-empting the Government's decision and the consultation.

All that leads to the conclusion that if the Minister announces that a third runway is to go ahead, litigation will ensue because the consultation was contaminated. If local residents lose, the litigation will be followed by a lengthy public inquiry, which, covering a sixth terminal and third runway, would make the terminal 5 inquiry appear almost brief.

It is time to stand back and review the position, because the situation, and the evidence, have moved on since 2003. We now know more about the effect of air pollution, which will cover the south of my borough. We now know that the new aeroplane technology that we were promised would be developed has not materialised. We now also know that we already violate the European Union's air pollution directive. That means that a number of my constituents are already living in a poisoned atmosphere. It also means that with a third runway, we will have no chance of meeting the European directive limits, as my hon. Friend the Member for Reading, West (Martin Salter) said.

Reference has been made to the ANASE study, which I welcomed, and which said that the level of noise at which people get annoyed and their quality of life is affected would be 50 dB, not 57 dB. That means that 2 million people, rather than 200,000, as was originally envisaged, will suffer.

On the health of my constituents, like other hon. Members, I have been urging a health impact assessment, but the Government have consistently refused to undertake one. We are told that one will take place during the planning inquiry process, but that will be too late to inform the Secretary of State's pre-Christmas decision, which we await. We now know much more about the effects on health, however, including from the Chicago study on the links to cancer and from more recent studies on the links to stress and heart conditions.

We were given a reminder of the safety risks at Heathrow only two years ago, when an aeroplane fell out of the sky and was literally minutes away from crash-landing in one of the most densely populated areas of the country. I still fear for people's safety with all this over-flying, particularly given the risk of terrorist attack.

Our position on climate change has moved on since 2003. I welcomed—indeed, the whole House welcomed—the commitment to the 80 per cent. target in the Climate Change Bill. I voted for the Bill, but there is no way that we will be able to meet that target with the expansion of aviation at Heathrow. The Tyndall study basically says that if we want to cope with the increase in emissions from aviation on our current growth path, we will virtually have to shut down the rest of UK industry. That is obviously not feasible. The two things are not compatible.

That is why Lord Smith, the chair of the Environment Agency, told the Government that building a third runway at Heathrow would be a mistake. It is not just him saying that, however. The Government's Sustainable Development Commission and the Institute for Public Policy Research, in the joint study that we commissioned,

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have said that the Government should stand back and allow an independent review of the White Paper. The European Environment Commissioner, Stavros Dimas, has made it clear that we are already violating EU directives and have little chance of meeting them in future.

I listened to what the Secretary of State said last week about the existing limits, and the impact of our non-compliance on the health of Londoners overall worries me. We are now revisiting the economic arguments, too. What concerns me is the automatic acceptance of some of the economic arguments that were put forward in certain studies—I would not say that they were shoddy, but it is now coming to light that those studies were paid for by the industry.

New information comes to light even as we drill down into the consultation paper. I refer to the work of Jeff Gazzard, the aviation expert and environmentalist, that was published this week. He says that even with the 480,000 limit still in place, the Department for Transport and BAA agree that we can grow passenger numbers at Heathrow from 67 million in 2006 to 85 million in 2015 and 95 million in 2030. Why? Because aeroplanes are getting bigger and can carry more passengers in each flight. That throws into question the very need for expansion.

With regard to competition with other European airports, we now have a world-leading aviation industry in London and the south-east, with a five-airport system. Each of those airports plays a specialist role, developing and competing effectively. The reason Schiphol and other airports have different flight movements is that we have won all the best at Heathrow—the most profitable ones. I will not rehearse the point about how the economic arguments have been exaggerated, but alternatives have been brought forward.

It is not just the Conservatives who have proposed the alternative, high-speed link; it is the coalition of rail and other unions, which has commissioned its own independent study. It means that we have the opportunity to expand our transport network overall without the significant environmental cost of the expansion of Heathrow. I must also say that the breaking up of BAA by the Competition Commission has led the Government to review their aviation policies.

Mr. Julian Brazier (Canterbury) (Con): The hon. Gentleman is representing his constituents in his characteristic style, with one of the most strongly worded and well-argued speeches that I have heard. Does he find it a little odd that although he has torn to shreds almost every aspect of the Secretary of State's argument, the Secretary of State remains in his seat and has not challenged him once?

John McDonnell: I am arguing for reaching some form of consensus across the House about the way we approach the issue. This is such a big decision that it needs to be taken out of the party political knockabout arena. We need to have a discussion. I dislike the tenor of the debate on both sides of the House, not only because of my constituency interests but because of the significance of the decision, which I mentioned. The onus is on us to treat the matter seriously and see whether we can find cross-party agreement.

The alternatives that have been put forward deserve better analysis. I actually think that the Marinair proposal that the Mayor has now taken up was dismissed too lightly in the assessment in the White Paper. I also believe that the Government dismissed too lightly the idea of developing a proper regional airport strategy linked to a high-speed rail system.

Let me briefly go through the arguments and look for a way forward, and let us see whether we can get some agreement. This is a major decision that will, as the Secretary of State said, affect the long-term interests of our economy. It will also make or break our climate change policy. It has immense economic consequences not only for London and the south-east, but for the country as a whole. If we are good Europeans, we should look to the overall implications for European economic and transport policy. The policy will cause immense social division within the country. Many people are disillusioned with the whole process of consultation, assessment and policy making that the Government have undertaken. They are angry, and the anger is building. I believe that it is building into a form of direct action the like of which neither the Government nor the country have ever seen. We saw what happened at the climate camp, but Heathrow is becoming the iconic battleground for the climate change campaign, not only in Britain but throughout Europe. Forging ahead with a decision to expand Heathrow will sow social division; it will divide our country and bring us into conflict in a way that we have not seen before.

We need to take the decision out of the political knockabout arena. We should accept that events have moved on since the 2003 White Paper. The Government have introduced a new Planning Bill. We were given assurances on the Floor of the House that if the Heathrow decision was taken under the procedures in that legislation, there would have to be a new national policy statement. If the decision is not taken under the new legislation, we will go back to the old planning inquiry system. The process for terminal 5 lasted five years, and on that basis the process for terminal 6 and a third runway will probably take seven years.

We should commence cross-party discussions about the development of a new national policy statement on aviation, and see how times have moved on and how Government climate change policy has changed. We should set up an independent—properly independent—review of aviation strategy and decide where the Heathrow decision fits into it. On that basis, we can at least attempt to seek consensus on this critical decision.

However, if the Secretary of State thinks that he can railroad the decision through the House without a Division, he is sorely mistaken. The least the Government can promise us is that any final decision will be taken democratically, by this House, in a Division, on the basis of the decisions that our electorates made to have us represent their interests in this matter.

5.29 pm

Norman Baker (Lewes) (LD): The House has rightly listened with respect to the hon. Member for Hayes and Harlington (John McDonnell), who I think represents his constituents magnificently on the issue. They will be pleased that he has come to the House to make the points that he has made this afternoon. He mentioned

the word "consensus", and I am a great fan of consensus on environmental issues, as I hope Members will know. I believe that a consensus is emerging and that it embraces my party, the Conservatives and a good many Labour Members; it certainly embraces the public at large, but it does not yet embrace the Government. It is for them to move to join everyone else, rather than for everyone else to move to join them.

I would like to raise a matter with you, Mr. Deputy Speaker. I had a meeting with BAA early last week—I am always happy to meet representatives of the transport industry—at which I was informed that the House would debate Heathrow this week. No statement had been made through the usual channels. I contacted my Whips Office, which contacted the Government Whips, who said that no information was available and that they could not confirm either way whether such a debate would take place. The announcement through the usual channels came as late as Wednesday 5 November. Am I and other Members, Mr. Deputy Speaker, expected to learn about House business from BAA rather than through the Government Whip system? Will you explain whether that is acceptable behaviour on the part of the Government?

Mr. Deputy Speaker: It is not for the Chair to determine the House's order of business, but I can say to the hon. Gentleman that Mr. Speaker has made it clear on a number of occasions that he expects this House to be informed about what is going to be determined here as soon as possible.

Norman Baker: Thank you, Mr. Deputy Speaker. I welcome your reiteration of Mr. Speaker's statement that the House should properly be informed first. I fear, however, that BAA rather than the House was informed first, which underlines the concerns of many of us that the Government are hand in glove with BAA. It shows that the Government give higher priority to keeping BAA rather than Members of this House informed about their intentions.

That is nothing new, of course. We know that in January 2007 there was a meeting between Department for Transport officials and BAA, at which they discussed how to ratchet down forecasts of the environmental impact. *The Sunday Times*, which revealed this matter, said that the civil servant involved had sought clarification from BAA on what data could be

"stripped out to achieve compliance".

I raised this matter before, as did the hon. Member for Putney (Justine Greening), and no attempt was made to correct my account, so it was accepted as fact by the Government of the day. There seems to be no attempt to correct it now, so the hand-in-glove relationship between the Government and BAA continues to this day.

In common with the hon. Member for North Essex (Mr. Jenkin), I do not blame BAA; it has a business to look after and is lobbying as effectively as it can—very effectively, in fact, as it has got the Government on board adopting its own policy. I blame the Government, and I ask the House this question: if BAA had written the Secretary of State's statement today, in what way, if any, would it have differed from the statement that was actually read out? I suggest that BAA did write it.

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): In respect of allegations of collusion with BAA, may I reiterate a point of which the hon. Gentleman is well aware? We were very clear in the 2003 White Paper that we would seek the assistance of the Civil Aviation Authority and NATS, as well as BAA, to ensure that we produced a consultation document that could be put to the public with confidence. It was also clear that it would have to comply with any regulations that we set down. The key word in the hon. Gentleman's comments is "compliance". BAA will have to comply with the requirements that will be set down if the third runway goes ahead.

Norman Baker: There is a clear difference between consulting individuals and bodies with a perfectly proper interest in the future of air transport and stripping out inconvenient details in order to "achieve compliance", which is what the Government have done here.

The hon. Member for Sunderland, South (Mr. Mullin) referred earlier to his time as aviation Minister. He said in 2003 that

"the demands of the aviation industry are insatiable"

and that

"successive governments have usually given way to them...It wants more of everything—airports, runways, terminals".

That appears to be absolutely the case. Other elements in our society have learned to live within their carbon footprint to some extent. Predict and provide has been abandoned for the road network, albeit not entirely, but it seems that the aviation industry, rather than cutting its cloth accordingly and changing its operating procedures to improve its service, simply wants more of what it already has. If it wants more concrete, the Government simply say, "Yes, how much do you want?" That appears to be the policy that the Government have now embarked upon.

Let me remind the House what a former Secretary of State for Transport, the right hon. Member for North Tyneside (Mr. Byers), said in 2001. He said that the Government had endorsed the public inquiry inspector's recommendation that terminal 5 be given the go-ahead, but with a cap on the number of flights. That would rule out a third runway. I agree with the hon. Member for Hayes and Harlington, and others who have spoken, that that is a broken promise. We were given clear assurances that if permission was given for one piece of infrastructure, that would be the end—but like some kind of drug addict, the Government come back for more and more each time.

Graham Stringer: I have the greatest respect for the hon. Gentleman's views on transport issues, about which he thinks deeply. Does he accept, however, that if there is constraint on Heathrow and the rest of the aviation industry in this country, we will export pollution and jobs and will not control pollution?

Norman Baker: No, I do not accept that. First, if the Government succeed in including aviation in the European emissions trading scheme at a sensible level, that will act as a price mechanism to discourage some of the flights that are taking place. Secondly, there is a clear opportunity for a modal shift to high-speed rail. I do not know why the hon. Member for Glasgow, South (Mr. Harris), a former transport Minister, shakes his head. His former

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Department is working on this at the moment. It is possible for high-speed rail to move people not simply to domestic destinations but, with the development of increasingly open access, to European destinations as well.

I simply do not accept that there will be the automatic transfer that the hon. Gentleman has described. If I may say so, it might as well be argued that we should still be manufacturing torture equipment, on the basis that if we did not, someone else would.

David Taylor: I am attracted by the hon. Gentleman's ideas about demand management. Does he not think that a simple form of demand management at Heathrow would be withdrawing the landing slots for short-haul flights where viable alternatives exist? Would that not provide a stimulus for investment in those alternative routes?

Norman Baker: It might well do so.

Another factor is the price of travel. According to a parliamentary answer that I received from the Government—of course, we must believe Government statistics—the average cost of a one-way flight in the United Kingdom has declined from £205 in 1997 to £103 today. In other words, the cost of domestic flights has halved. Meanwhile, the cost of travelling by rail, which is much more carbon-friendly, has increased by more than the rate of inflation, and the Government refuse to rule out further above-inflation increases. They have stuck to the RPI plus 1 formula—RPI plus 3 for those who happen to live in the wrong part of the country—driving up rail prices while air prices are cut. That is not a sensible climate change policy, by any stretch of the imagination.

Climate change is an important issue, which was rightly raised by the hon. Members for Hayes and Harlington and for Chipping Barnet (Mrs. Villiers). I am pleased that the Government have introduced a climate change Bill, and I congratulate them on the fact that ours is the first country in the world to introduce such legislation. That is a matter for consensus. I am equally delighted that the right hon. Member for Scunthorpe (Mr. Morley)—along with others, including my colleagues—has helpfully managed to persuade the Government to increase their 60 per cent. target to an 80 per cent. target.

All that is good news. We need an 80 per cent. target, because the climate change challenge that we face is enormous. But how can it possibly square with the construction of an extra runway at Heathrow? How does it square with the predict and provide policy that the Government seem so determined to maintain? How does it square with the additional flights, increased pollution and increased carbon emissions that will inevitably accompany an increase in the number of flights from Heathrow? The Government are talking about almost doubling the number of flights. How does that square with an 80 per cent. cut in carbon emissions?

Mr. Mark Francois (Rayleigh) (Con): As a south Essex Member, I strongly opposed the proposal for an airport at Cliffe, not least because of its environmental impact. Equally, I oppose the fantasy airport in the Thames estuary. What is the Liberal Democrats' position on the idea of an airport in the Thames estuary? Are they for it or agin it?

Norman Baker: We are all against it. We have no mayoral candidates, or anyone else, in favour of it. We are against any expansion of aviation in the south-east: we believe that there is no environmental case for it whatsoever.

The issue of high-speed rail has been raised in a positive way by the hon. Member for Chipping Barnet, the hon. Member for Hayes and Harlington and me, and in a sort of "grunt, grunt" way by one or two Labour Members who do not agree that it has a role to play. Well, it has got a role to play. First, let us consider carbon. Eurostar's externally validated figures demonstrate that the environmental cost in terms of carbon of travelling from London to Paris by train is about a tenth of what it would be by air.

The Department for Transport fiddled some other figures earlier—that was the fault not of the present Secretary of State, but of one of his predecessors. The original campaign for high-speed rail was discredited in part because we were told it was not particularly carbon-friendly, but an examination of the figures for that shows that the Department had assumed a speed for high-speed rail that would have been impossible and that no one was projecting, and a load factor so low as to suggest that the train was almost empty. It is, therefore, not surprising that the Department's figures demonstrated a poor carbon case. If sensible and realistic parameters are applied, however, it can be demonstrated that there is a massive carbon saving.

We know that plenty of journeys could switch from Heathrow. There are up to 60 flights a day to Paris, which is more than to any other destination even though there is a very good connecting train service, and there are still 36 flights a day to Manchester, despite the improved west coast main line, and other such regional UK destinations could also be considered in this regard. Even if the high-speed line went only to Manchester or Leeds—although I would like it to go further than that, up to Scotland—there would be a significant saving in journey time for Glasgow and Edinburgh, which would make the rail line more attractive all the way down its route.

Mr. Eric Martlew (Carlisle) (Lab): I totally agree with the hon. Gentleman on the high-speed line, and there is no stronger advocate of high-speed trains than myself, but does he not believe that the idea of a spur to Heathrow is a red herring to help get the Conservatives out of the hole they have dug themselves into?

Norman Baker: Since my party was the first to advocate a spur to Heathrow, I am not sure I entirely agree with that intervention.

Heathrow will carry on as a major airport. Despite all the doom and gloom from the Government, it will not suddenly shut down if it does not get a third runway. It will carry on at, or near, capacity. We need to deal with the situation of passengers arriving at Heathrow who currently find it most convenient to transfer to another aircraft, so that in future they transfer to rail. That requires plugging in the high-speed network with

Heathrow in a way that facilitates such journeys, so there is one more leg to go. That would be a sensible way forward.

The Secretary of State was keen to talk about the 2003 White Paper, but, as the right hon. Member for Suffolk, Coastal (Mr. Gummer) pointed out, so much has changed over the last five years. After all, the Government's 2003 energy policy was against nuclear power, and we are now told that it is the best thing since sliced bread. They have managed to change on that in the past five years, but they have not changed on aviation. Why not?

Mr. Gummer: Does the hon. Gentleman agree that it is inconceivable that this Government would have produced the Climate Change Bill in 2003, and does that not underline exactly the change that has taken place?

Norman Baker: Exactly so. A lot of things have changed since 2003, including that a much stronger case is now being put for high-speed rail by Network Rail and others, which means there is a capacity for modal shift that was not anticipated. I do not mind the Government being committed to a 30-year long-term air strategy—the Secretary of State said it would be long term—but why does the rail strategy run out in 2014? Why are there no plans beyond 2014 to improve our railways? We have some longer platforms and trains now, but there are no plans beyond 2014—no lines opening, no commitment yet to high-speed rail, no electrification. A lot of things have been talked about, but nothing has been delivered on beyond 2014. Why is it right for air to have a long-term strategy, but not railways? That shows the unbalanced way in which the Department for Transport has addressed transport policy over the years: it has been roads, good; air, good; rail, bad; bus, bad. That simplistic way of looking at matters accurately reflects how the Department has dealt with transport policy.

Mr. Tom Harris: I have been trying to resist the temptation of imagining that I am still the Minister responsible for the railways, but since I was the Minister for the railways when the White Paper was produced, I must remind the hon. Gentleman that the 2014 forecast is purely and simply to allow a spending programme to be set for that control period. The hon. Gentleman knows that is the case, and he also knows that this is the first Government who have set out such long-term spending plans for the railways, and that the White Paper included a 30-year strategy for the railways as well as the high-level output specification to 2014.

Norman Baker: 2014 is not a long-term date, and there is nothing in the 30-year strategy beyond 2014. The hon. Gentleman was a very good Minister; he was able to make a threadbare and hopeless case sound convincing, so I am unclear why the Government did not keep him on the Front Bench.

Mr. Brazier: I join the hon. Gentleman in his tribute to the former Minister. Would he also like to make the point that as a recently as March, the hon. Member for Glasgow, South (Mr. Harris) confirmed that not a single official in the Department was working on high-speed rail?

Norman Baker: That is true. I have asked such questions a couple of times, and I have found that five officials are working on rail projects to extend the network—that, presumably, relates to electrification and everything else. I suppose that that is better than nothing.

Mr. Martlew: Does the hon. Gentleman accept that he is being churlish, because as a result of this Government's actions this country has a high-speed line, which was not the case under Mrs. Thatcher? He should stop talking down the railways.

Norman Baker: That is the first time I have been accused of talking down the railways. I am not sure who was responsible for the channel tunnel, although I have a feeling that it predates this Government. Never mind that, because we have it now and it provides an opportunity to expand. Logically, we should do what other European countries have done very successfully and roll high-speed lines out across the country. Paris to Lyon was a corridor along which the vast majority of traffic went by air, but 91 per cent. of it now goes by rail, so the potential for a switch from air to rail is enormous.

The hon. Member for Hayes and Harlington (John McDonnell) talked rightly and powerfully about the impact on the local area. I do not want to dwell on that—not because it is not important, but because it is better that local Members do that.

John McDonnell: In all the consultation documents thus far, we have seen BAA's costings for building the terminal and the runway, but no costings for the impact and the collateral damage across the whole area. I am talking about the loss of schools and homes, compensation for the loss of whole communities and the wider ramifications of the noise impact across London. That is one issue that has never been debated in this House, or addressed in such a publication.

Norman Baker: The hon. Gentleman is right to raise that matter. If I were the local MP I would be heartbroken at the plans to wipe Sipson off the map, to affect Cranford and Longford so badly, to increase the noise significantly for many local people in his area and more widely, and to increase air pollution. It seems that all these people and their views do not count; there will be a consultation exercise whereby they can tick a box and send back a postcard, but ultimately, the Government are listening, in the same office, to BAA, and not to the thousands of people who are affected. That is a betrayal of the population of this country and an affront to democracy.

Justine Greening (Putney) (Con): Does the hon. Gentleman agree that this approach takes no account of the fundamental fact that the people who live in London drive its economy, and that the Government are wrong in attempting to try to decouple residents from London's success?

Norman Baker: I agree with that. Business in London has been mentioned, and I should say that when London First met me, it was sceptical about the value of all those transit passengers. Part of the cause of passenger congestion at Heathrow is people who come in, spend £5 at Heathrow on a cup of coffee and give nothing else to the economy. It is about time we reassessed what the

[Norman Baker]

point of Heathrow is; it is about serving this country, rather than serving people who are getting off one plane and on to another to go somewhere else. *[Interruption.]* The Secretary of State is keen to intervene from a sedentary position, but I am keen to put British residents first, and if he does not want to do that, that is a matter for him.

Nitrogen dioxide is the issue that the Government do not want to address, but they will have to do so, either through litigation or through a vote in this House. Alternatively, judging by today's *Evening Standard*, they may have to do so because of the European Environment Commissioner, Stavros Dimas, who has made it very clear that the Government's policy will not be acceptable and that he will insist on NO_2 limits being respected.

I know from a letter that the Secretary of State for Environment, Food and Rural Affairs sent me on 21 October—to be fair, the Secretary of State confirmed this today—that the existing pollution from traffic in London, including around Heathrow, will already put the Government beyond the NO_2 limit. They have a major problem even in present circumstances, so how will that be solved by increasing the number of flights at Heathrow, which will mean increased road traffic, and even low-carbon rail journeys to Heathrow? How will those increases help the Government to meet a target that they already fail to meet? Even their non-existent planes and other attempts to find ways around this major problem will not solve that issue.

From Department for Transport papers and internal documents that have come my way, we know that officials have been working with DEFRA officials on the interpretation of the relevant EU directive to try to ensure compliance. The DFT is a hopeless basket case on climate change, but we might have expected DEFRA to be more sympathetic to attempts to meet climate change targets. However, that does not seem to be the case.

The Government have got into a hole on this matter. They are on the wrong side of the argument. From the top down—the Prime Minister and the previous Prime Minister—they have bought the line that Heathrow must go ahead. They have also misread the mood of the business community, not all of which is in favour of the Government's proposals. They have certainly misread the opinion of the population in London and elsewhere. Most importantly, the Government have misread the environmental challenge they face. They have a potentially good story on climate change, and could credibly claim to the electorate that they have done something on that issue. But they will be shot out of the water if they go ahead with the third runway at Heathrow. People will not remember the 80 per cent. target or the Climate Change Bill, but they will remember being betrayed over the third runway.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I wish to give notice that the Chair might review the time limit that has been imposed on Back Benchers' speeches in view of the time now and the number of hon. Members who wish to contribute. It would be very helpful if Members tried to keep their remarks well within the present allocation so that the Chair will not have to make a formal change.

5.52 pm

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): This is an important debate and it is clear that hon. Members on all sides of the argument have very strong feelings. I shall attempt to highlight some of the key problems that need to be considered carefully.

The Transport Committee has considered this issue on three occasions in the context of inquiries into broader aviation matters. First, in 2003, in a study on aviation, the Committee concluded that the targeted development of existing sites was one way to deal with the anticipated expansion of aviation. The Committee said that

"if the Government believe Heathrow should expand its position as a prime European hub then expansion is needed there as a matter of urgency".

The Committee recognised the significance of the environmental concerns and said that a decision must not be taken lightly.

More recently, the Committee conducted two further inquiries—on passengers' experience of air travel in July last year, and this year in March on the future of BAA. In both inquiries, the Committee considered poor conditions at Heathrow, which is currently overcrowded. It castigated the monopoly airport owner—BAA—and advocated its break-up. The Committee found that inadequate runway capacity was a major cause of the problems that passengers experienced at Heathrow. The report supported the Government's proposal to add capacity at Heathrow, subject to strict environmental conditions being met. That is a key condition.

Underlying many of the comments in support of the expansion of Heathrow was the recognition of it as an international hub, important to our economy and the jobs in it. It is our only such hub, with 68 million passengers a year and 56 per cent. of freight. It is because of the high volume of transit passengers that the hub is able to operate long-haul flights to multiple destinations, including to centres of economic growth in China and India that are important to our economy. If the arguments in favour of expansion are to be challenged, the whole issue of whether Heathrow should be an important international hub needs to be considered.

Susan Kramer: Can the hon. Lady cite the studies she has seen that determine what level of transit passengers is necessary to ensure a wide range of destinations? I question whether she could find such a study, because many other hub airports have a wider range of destinations than Heathrow on much lower percentages of transit traffic.

Mrs. Ellman: The fact is that transit passengers are important to enable international flights to develop. Heathrow is full—it operates at more than 98 per cent. capacity, and that is why it is losing some of its flights to rivals such as Schiphol, Paris and Frankfurt, where more runways cater for fewer passengers with greater reliability. That fact was highlighted in the recent Competition Commission report, which examined BAA's operations. The importance of regional routes for regional connectivity should also be taken into account. I am a strong supporter of high-speed rail, but I would pause before advocating that we should sever aviation links between the regions and the capital. That would be a major step.

Several key questions must be asked before deciding how expansion of Heathrow could take place, if that is felt to be desirable. First, we should ask whether there are other ways of achieving that aim. A partial proposal for high-speed rail from limited destinations has been put forward as an alternative. It appears that that would deal with only some 3 per cent. of flights, and would not make a significant difference. That proposal may need to be developed further, but it is not the alternative at present.

It has been suggested—

Mrs. Villiers: Will the hon. Lady give way?

Mrs. Ellman: I am sorry, but I am unable to do so in the time allowed.

An alternative airport has been suggested in the Thames estuary, but it would face major problems. Perhaps that proposal should be considered more seriously.

Several issues that have been identified need more scrutiny than they have had so far. Can the environmental conditions that we have set be met? They include noise and air quality in the locality of Heathrow, and the contribution to climate change. We must also consider our obligations under the Climate Change Bill to reduce emissions. We must remember that a transfer of flights to Schiphol or elsewhere in Europe would mean only a transfer of emissions, not a reduction. We should look much more closely at changes in technology and aircraft design, including alternative fuels. That point has been mentioned in today's debate, but I do not think it has been scrutinised very deeply.

The recent provisional decision by the Competition Commission suggested that BAA should be broken up, and steps have already been taken in that direction with BAA stating that it wishes to sell Gatwick airport. That will have implications for financing and the efficiency of BAA as an operator.

What are the implications of the current recession for long-term aviation trends? Much has been made of the recent reduction in aviation caused by the recession—indeed, we may only be at the beginning of what may prove to be a prolonged recession. However, these plans are about the future—about 2020 and beyond. We need to take a further look at what the recession might mean for long-term aviation trends and for trends in our economy.

Those are all important questions that need to be addressed in the planning process. It would be helpful if the Secretary of State said how he envisaged any proposal for the expansion of Heathrow proceeding. Would it be conducted under existing planning legislation or under new planning proposals? How would that scrutiny take place in both those scenarios?

Stephen Pound (Ealing, North) (Lab): Will my hon. Friend give way?

Mrs. Ellman: I am sorry, but I cannot because of the time constraints.

It is extremely important that the implications for Heathrow as an international hub are considered seriously. It is vital that we look at the economy of the United Kingdom and do not throw away our economic competitiveness at a time of recession. All the factors that I have mentioned need to be examined, both as they are now and as they will operate in the future. We need to recognise the importance of Heathrow as an international hub and we need to take decisions for the long term.

6.1 pm

Mr. David Wilshire (Spelthorne) (Con): Parts of Heathrow are in my constituency, so this debate is very important to the people who sent me here. They rightly expect me to speak up for them. However, if I do that I face a dilemma. The majority of my constituents, and my local council, support another runway, but my party's policy is the exact opposite. Making a constructive contribution is quite a challenge but, happily for my colleagues on the Front Bench, I do not see that there is much to be gained by setting out all over again what I see as the overwhelming local, regional and national case for another runway. That approach has been done to death. I doubt whether there is anyone in this Chamber who did not make up their mind, one way or another, long ago.

Instead, I want to echo what my neighbour, the hon. Member for Hayes and Harlington (John McDonnell), said about seeing whether we could find any consensus. I thought I might see whether there was anything on which we could all agree.

John McDonnell: Would the hon. Gentleman be willing to have the runway and terminal in his constituency?

Mr. Wilshire: The hon. Gentleman has asked me that before, and I shall have to give him the same answer. If that is what is necessary, that is what is necessary.

I believe that the answer to the question, "Can we all agree on anything?" is—to quote someone else—"Yes, we can." Do we not all agree that shutting Heathrow is a bad idea? Do we not all agree that Heathrow has problems? Do we not all agree that we want a better Heathrow? If I am right, and we all agree on those points, that means that we are all signed up to keeping Heathrow open, curing its problems and deciding how to make it better.

If Heathrow is to survive it has to prosper, which is the opposite of what is happening at the moment. To keep Heathrow open, we all need to be against the proposals made by the Mayor of London. As he rightly says, for his scheme to work Heathrow will have to be shut. If that happened, where would it leave the 70,000 people who work inside the boundary fence? They would face redundancy. I hope we all agree that redundancies are a bad thing.

Heathrow's key problems are all horribly familiar to us: frustrating departure delays, annoying landing delays, cancelled flights, missing bags—[Hon. Members: "Noise."] I shall come to noise later; do not worry. We all agree that those problems have to be overcome. The problems of planes queuing to take off and circling overhead before landing can only sensibly be solved by another runway. Many cancellations are caused by delay: if runways are 99 per cent. full, when flights are delayed they simply cannot be slotted in between the other flights that are waiting to take off, and they become cancellations.

Many bags go missing because of landing delays. Those delays leave too little time for a bag to make it from the flight that it has come in on to the flight that it

[Mr. Wilshire]

should go out on. Again, the solution is to get rid of landing delays, for which we need another runway.

Justine Greening: Does my hon. Friend accept that there is another solution? Instead of focusing on quantity, BAA should start to focus on quality, and perhaps it might do that if it had a bit of competition—it might then decide to provide a better service to people who use the airport.

Mr. Wilshire: I am coming to the fact that Heathrow's competition is already doing damage.

Heathrow also has some lesser known problems, some of which have already been mentioned tonight. The airport is losing routes—down from 230 to 180. By comparison, the competitors which my hon. Friend is concerned about are gaining routes and passengers. If Heathrow loses its transfer passengers, as some suggest it will, it will lose even more routes and become less viable.

Mr. Greg Hands: Will my hon. Friend give way?

Mr. Wilshire: No, I am sorry, but time is against me and Mr. Deputy Speaker urged us to be brief.

We would lose even more routes, including those to such places as Madras, Seattle, Bangalore, Osaka and Johannesburg. Heathrow is losing passengers to continental competitors, and that is already costing us jobs.

Heathrow is losing passengers as businesses start to relocate because a declining Heathrow no longer meets their needs. The computer firm Dell has begun to move its operations from London to Frankfurt for that very reason. Heathrow's inability to accommodate new intercontinental airlines, especially from such crucial places as India and China, is forcing those airlines to set up their European hubs across the channel. Jet Airways, one of India's most successful new airlines, can get only two slots at Heathrow and has therefore decided that its European hubs ought to be Brussels and Paris. That will cost us routes and jobs and will damage Heathrow.

I am sure we all agree that we want a better Heathrow. "Better, not bigger" has in fact become something of a mantra. However, there is one thing wrong with that analysis. A better Heathrow requires additional runway capacity, not so that Heathrow can expand but because that is the way to sort out its problems. Terminal 5 was not all about expansion, but represented an effort to sort out the chaos in the four other overcrowded terminals.

Susan Kramer: Will the hon. Gentleman give way?

Mr. Wilshire: No, I am afraid not.

A better Heathrow requires the runway capacity to sort out those problems. Interestingly, those people who live under existing flight paths need to think about the fact that if we take the use of a runway down from 99 to 75 per cent., fewer flights will go over the houses of those people who live under the flight paths. We all agree that we do not want to end runway alternation, and another runway would make that unnecessary. To cheer up those on my Front Bench, I want to tell them that the policy of opposing the scrapping of alternation has my wholehearted support.

I ought to say something about the environment. I would like to say a lot, but Mr. Deputy Speaker urged us to be as brief as we could, so I shall limit myself to a couple of points. My approach is that it should not be expansion at any price. Quite properly, the Government have set out conditions, and if they cannot be met, there cannot be another runway. I have never said other than that, and I do not want to be misunderstood either here or in my constituency.

However, in my 21 years of representing Spelthorne, the environmental problems caused by Heathrow have got better. Noise has reduced dramatically: since 1998, BA has halved the noise impact of its aircraft at Heathrow, and emissions have also been reduced dramatically in my time, with fuel efficiency doubling over the past 40 years. The improvements are set to continue. The new Boeing Dreamliner will be 75 per cent. quieter than the 747s it will replace, and Rolls-Royce tells me it is confident that by 2020 its new generation of engines will reduce NOx emissions by 80 per cent. Things are getting better.

Again because of time constraints, I shall limit myself to just one comment on global warming, although there is a lot that I could say about what I have heard in the course of the afternoon. I hope we all agree that we have to get the debate on global warming into perspective. UK civil aviation produces only 6 per cent. of the UK's greenhouse gases; it is not the demon that some people want us to believe it is. Only 2 per cent. of the UK's transport sector emissions—that is, everything produced by our transport sector—comes from civil aviation.

The global perspective is crucial. The UK's total emissions production is just 1.6 per cent. of the world's output. By 2050, civil aviation worldwide will produce only 5 per cent. of the world's total emissions. That is the perspective that we need to understand. We also have to understand that this is a global issue. Punishing ourselves by damaging our aviation industry and our businesses unilaterally will not do us any good, but it will make our competitors very happy indeed.

Finally, I want to say a few words about Heathrow, my constituency and the financial crisis that faces us all. Some 26 per cent. of my economically active constituents depend directly on Heathrow for their jobs, and redundancies have begun already. For example, it has been announced that some 450 managers will be out of their jobs at Heathrow by the end of the year. The success of regional and national economies owes a great deal to Heathrow keeping its status as Europe's No. 1 hub.

The key position that Heathrow holds in the global aviation network is under threat, and decline has already started. That is why I agree with my right hon. Friend the Member for Witney (Mr. Cameron): we Conservatives have a moral obligation to help people who are at risk of losing their jobs. I believe that my constituents face a clear choice—another runway, or redundancy. I know what I would prefer.

My constituents sent me here to speak up for them. I know it is not popular in some quarters, but speak up for them I will. I hope that that is what I have done today.

6.13 pm

Alan Keen (Feltham and Heston) (Lab/Co-op): I want to make a few points almost at random, but I shall start by noting that my friend the hon. Member for

Spelthorne (Mr. Wilshire) said that planes are somehow getting less noisy. For people in my constituency, the difference is like getting hit on the head very hard as opposed to extremely hard. It is impossible for them to live proper lives, or to enjoy time out in their gardens. I am pleased that the hon. Gentleman supports my opposition to the ending of runway alternation, but the planes are not really any quieter.

I agree with every word that my hon. Friend the Member for Hayes and Harlington (John McDonnell) said. I have nothing to gain in election terms from this debate. I am often told by BAA that most of my constituents support expansion, although others tell me differently. In any case, I do not think that this should be a political issue, so I shall say what I always say in these debates.

Along with my special friend who is Under-Secretary of State for Health, the hon. Member for Brentford and Isleworth (Ann Keen), up to now I have always supported Heathrow expansion. We both supported terminal 5, but there has to be a limit at some point. Whatever the hon. Member for Spelthorne may say, there really is no room for another runway on the south side of the airport. In fact, as my hon. Friend the Member for Hayes and Harlington has said so many times, there is no room for another runway on the north side of the airport either.

I want to speak up for my constituents, many of whom work at Heathrow and depend on it for their living. We understand the economic benefits extremely well, and my constituents have given a tremendous amount to the aviation industry. Many of them came from the Punjab in the late 1950s and early 1960s and, regardless of whether they were professional people, in the main they worked on the ramps at Heathrow airport. They deserve better than the treatment that they are getting now, as we seem to have little concern about the effects of increased noise.

The ending of runway alternation will make life impossible for some of my constituents, who will never be able to enjoy time in their gardens because planes will be flying over their houses continuously. There will be no day free of that, and I think that my right hon. Friend the Secretary of State seemed to say that the ending of runway alternation—what is called mixed mode—would lead to there being a few more seconds between each aeroplane. He seemed to suggest that that would be OK, but I return to my point about the difference between being hit on the head very or extremely hard. It is impossible for people to cope when they are being hit on the head by aircraft noise every day, with no break. The people who have given so much to the aviation industry deserve better than that.

My constituents also deserve better transport. I have said this many times, but they complain as much about the traffic congestion around Heathrow as they do about noise, but the industry wants to spend nothing on that, even though it would improve people's daily lives. They deserve better, and we cannot keep on ignoring them time and again.

I am a friend of the air transport industry, and I still do work to help with various issues. For instance, we are trying to limit the weight of individual pieces of baggage to 23 kg because, whatever the House may have been told about mechanisation, each suitcase has to be handled by a person. It is important to understand that, although the airport has modern systems, all suitcases—and they can be very heavy—are packed away into aircraft holds by people who have to bend double to do so.

While I am on this subject, I should like to pay tribute to someone who I presume is beginning to come to the end of his career. Sir Michael Bishop has made a great contribution to the aviation industry. I do not get a lot of joy from the fact that BMI has been sold to Lufthansa, but I want to pay tribute to a man who has given so much of his life to the air transport industry. That is a lot more than most of the chief executives of the large companies give, and that is why they never worry about taking long-term decisions. Most chief executives believe that short-term decisions about profit over the next five or six years are all that really matters, but Sir Michael Bishop has given a lot to the industry.

The economic arguments for the expansion of Heathrow sound very attractive. Is the airport completely full or not? I wish that I could hold a competition about that here this afternoon. A week on Saturday, I am taking one of my grandsons to see a football game at Middlesbrough. I am taking him on an aeroplane from Heathrow airport—not because I want to, as I always go by train, but because his parents do not like to fly, so the flight will be a special treat for him.

I wonder how many hon. Members can guess how much the trip from Heathrow to Teesside will cost? I ask that question to illustrate the fact that Heathrow is not really full. In fact, the trip will cost £4 each, which shows that another runway at Heathrow is absolutely unnecessary. The seats are being filled to display to everybody that Heathrow is full, and the slots that are worth so much money have to be justified so that airlines can hold on to them. Obviously, the price is higher with tax, but £4 will be what BMI gets for tickets on that flight.

People have said that it would be an absolute disaster if Heathrow did not expand; I think that the hon. Member for Spelthorne mentioned that point of view. The airline industry keeps telling us that we need the economic expansion, and says that the expansion and the jobs are important, but why is British Airways looking to shift its engineering work overseas? We are told by the industry that the jobs are important, but it is happy to shift the really high-paid, high-skilled jobs overseas to save a little money. However, the attitude is that it is okay to make more noise for my constituents.

I have already said that it does not really make a lot of difference whether one is hit on the head very hard or extremely hard. I repeat that when runway alternation ends, people will never again be able to enjoy their garden in the spring or summer. As for planning their lives outside the house, they may be able to dig their garden while the planes are going over incessantly, but they cannot enjoy their garden. That is too much to ask of people who have given their whole lives to the air transport industry. It is repeated time and again—we have heard it said this afternoon—that planes are now a lot quieter. That is just not the case. It is absolutely unacceptable.

The informal Cranford agreement has existed since the late '50s. My constituents are very close to the take-off point on the northern runway. That is why, unless it is an emergency, planes do not take off towards the east; they use the southern runway. I know that that gives a lot of pain to people on the west side of Heathrow,

[Alan Keen]

because planes come in to land along the same line, all day, every day, when the wind comes from the east. People are therefore unhappy on the west side. It is impossible to live a reasonable sort of life close to Heathrow. The Cranford agreement will be done away with as part of the plans before us, and that is completely unacceptable.

The economic situation has changed dramatically. Will the tremendous demand for air transport continue, or not? Some people say that the jobs will go, and others disagree, but if the economic situation has changed dramatically, let us take account of that when making decisions about Heathrow airport. We all understand the seriousness of sustainable development considerations much more than we did five or 10 years ago. Let me make a simple point that I have made before: if there is to be a contraction of air transport need, we will not need expansion at Heathrow. However, if need continues to increase year on year, there will be less need for Heathrow to be a hub, as there will be enough flights from Manchester and other regional airports to justify flights from those regional airports to many other destinations around the world. That would take away the need for people to travel to Heathrow.

We have not reviewed the situation in the light of the changed circumstances. I ask the Secretary of State and those who will take the decisions to look again at the likely scenario. The Secretary of State said that we are talking about long-term decisions. It will be the first time that the air transport industry has ever made a long-term decision; as I have mentioned, chief executives usually stay in their position for a few years, and then disappear.

Mr. Hoon: I join my hon. Friend in paying tribute to Sir Michael Bishop, whom I have known since my early days as a Member of the European Parliament. May I gently mention one aspect of BMI's policy that rather makes my point, instead of my hon. Friend's? When I was an MEP, there was a direct service from East Midlands airport to Heathrow, which allowed me to travel on to Strasbourg and Brussels. BMI withdrew that service because it had a limited number of slots. It used those slots for a service to Frankfurt—a service that was already well provided by BA and Lufthansa. The consequence is that now, anyone who wishes to travel from the east midlands to a connecting destination almost certainly does so by road. That does not help our environment, and it does not particularly help our economy.

Alan Keen: I shall respond to that by making a slightly different point. Why should we want people from Teesside to come to Heathrow to travel on somewhere else? Sustainable development is a global problem. We should not look at it purely as an issue for UK industry. Why should we not encourage people from Teesside, Tyneside and Scotland to travel to Europe to pick up flights to somewhere else in the world? Why should they have to come to Heathrow? That is a very narrow view of the air transport industry.

6.25 pm

Mr. John Randall (Uxbridge) (Con): I shall try to be as brief as possible. I completely share the views of my neighbour and, dare I say, comrade in arms, the hon. Member for Hayes and Harlington (John McDonnell). Certainly, on this issue, we are comrades. He rightly said that this is far too important a subject for us to get into petty, party political arguments on it. I have to say that I was extremely disappointed by the manner in which the Secretary of State made his speech. I do not think that it did the debate any good at all. I am sure that if he reflects on it—perhaps I will buy him the DVD so that he can watch it—he will realise that he got it badly wrong.

Luckily, the debate has improved. The hon. Member for Hayes and Harlington made a wonderful speech; some of us often hear him speak on the subject. I should also like to congratulate my hon. Friend the Member for Spelthorne (Mr. Wilshire); he perhaps made the speech that the Secretary of State should have made. He made points that I do not agree with, and points that I do agree with, but he made a well-reasoned argument, from his sincere point of view.

My constituents, and many of the constituents of other hon. Members present, are effectively living on death row. To many people who live further away, that may seem a bit of an exaggeration, but it is not. What is proposed will completely alter our constituents' lives. Of course this is a national issue, but we have to consider what sort of nation we want to live in. Do we live in a Stalinist state, or Ceausescu's Romania, where people are just removed—taken out of their homes, and moved somewhere else—as part of what is ostensibly a state project?

Earlier today, there was a debate in Westminster Hall about housing provision in London. All Members who attended agreed that there is a desperate shortage of housing in London, but we are talking about uprooting people from 4,000 homes. There is nowhere for those people to go. That has not been thought out at all. I have repeatedly tried to find out from the Department for Transport whether it has plans. It does not, because there can be no plans. It has no idea where those 4,000 homes will be put. Do we live in a country where those people's lives are treated as being of no significance, so that we can carry out a scheme that we are not even sure about? As was rightly said, it is not just a runway, but another airport—a Gatwick—that will be tacked on to the side of Heathrow.

I feel very strongly about the issue, and many of my constituents, and the constituents of other Members—my fellow residents—are deeply concerned and angry. They sometimes wonder, "What is the point?", because there are consultations and meetings, but nothing happens. The hon. Member for Hayes and Harlington spoke of the impact on young people in their schools, and on old people, who expected to live out the last few years of their lives in the area. They will be drummed out of their homes, and God knows where they will have to go. They will not be near their loved ones, whether those loved ones are alive or dead. As we heard, we do not know whether the cemeteries are safe. Centuries-old communities and buildings will be destroyed, and we do not even know that there is an argument in favour of development. Increasingly, I think that the business argument has been destroyed, and I am delighted that my hon. Friends have seen sense.

I do not take delight, however, in the fact that it is my party, together with the Liberal Democrats, against the Government, because I want the Government to understand

that they are wrong. Many of their hon. Members realise that. I am not sure all the alternatives—I do not necessarily mean location—have been considered, and we must look seriously at what we expect from aviation. Can it continue to grow endlessly, year after year? I know how important this is: air quality is an issue of huge importance for my residents, and we have health problems. Many people who are much more capable than an old retailer know about climate change, but if I try to explain to my constituents the importance of adapting their lifestyle to ensure that they adapt to climate change by fitting energy-efficient light bulbs or lagging their property—those things are all good measures—they say to me, "What is the point? They are going to put a huge great airport down there and increase aviation emissions endlessly."

I shall end by failing to be consensual in one respect. The consultation document was extremely flawed, and I would say to the Secretary of State that it was a dodgy dossier. May I take him back to those years when we were looking for weapons of mass destruction? For my constituents, potential weapons of mass destruction can be found on their doorstep, as homes and people's lives will be destroyed. When we had the dodgy dossier before, I decided that I did not believe in it. I had to follow my conscience, and I walked through the Division Lobby, shoulder to shoulder with many Members who have now spoken. If my party had not taken this decision about the expansion, I would have taken the same decision to go against it, despite my position as one of those ghastly individuals who tell colleagues how to vote, because it means more to me and my constituents than anything else. I hope that the Secretary of State will allow a vote in the House, and I hope to see many of those old comrades walking through the Lobby shoulder to shoulder with my hon. Friends and me. If we do not win that vote, I expect to see them with me in front of the bulldozers.

6.33 pm

Mr. Tom Harris (Glasgow, South) (Lab): May I thank you, Madam Deputy Speaker, for my first opportunity to address the House in a debate since leaving ministerial office? I am reminded once again of what an immense privilege it is to do so, whatever geographical position one speaks from. May I offer my apologies to you and the House because I will not be present for the winding-up speeches due to family commitments? I hope that the House will understand that.

I begin by paying tribute to the hon. Member for Spelthorne (Mr. Wilshire) because—and I agree with the hon. Member for Uxbridge (Mr. Randall)—his comments were extremely well thought out and expressed. I genuinely hope that his party listens to the arguments that he made. This is a not just a debate about the case against the third runway at Heathrow; it is an argument about the case for or against Heathrow itself. We can all argue about the economic factors that will affect Heathrow's long-term economic health, and everyone will take a different view. My strong view is that without a third runway, Heathrow will be left to wither on the vine, and it will cease to be the economic powerhouse for the country.

One of the arguments against the third runway was expressed in yesterday's *Evening Standard* by—God help me—Andrew Gilligan, which is probably reason enough to go against it. It suggested that, in anticipation of an economic downturn and a recession over the next year or so, the case for such a runway was not valid. My vision—and the Government's vision—for the British economy is slightly more long-term than next year, and I have more optimism and more confidence in our economy. We should plan for the next decade at Heathrow, not just for the next year.

Adam Afriyie: I disagree with the hon. Gentleman's assertion that Heathrow would somehow fall apart if it did not expand. Where is the evidence for that assertion, as one cannot make policy or support a position unless there is clear evidence that without further expansion Heathrow will disappear? That is an assertion, not an evidence-based statement.

Mr. Harris: The hon. Gentleman is right to a certain extent. We all have our own view on this, and we all have to make our own decision about what will happen to Heathrow in the longer term if expansion is not allowed. From my experience of Heathrow, and from speaking to the people who use it, it appears that the business community is running out of patience with the airport. Business people will tolerate delays and cancellations at Heathrow for only so long. It is only a matter of time before that business goes elsewhere in Europe, and not to this country unless there is the prospect of serious expansion. I accept that the hon. Gentleman takes a different view, and he is entitled to do so. However, I hope that he accepts that those of us who believe that the absence of a third runway will lead Heathrow to wither on the vine must follow our conscience and adopt whichever economic remedies present themselves.

Today, I received a Friends of the Earth briefing that stated that

"we believe that the proposed expansion is based on a flawed economic case".

Of course, it believes that: I doubt that there has ever been an economic case for a major infrastructure project that Friends of the Earth believed was not flawed. George Monbiot, the esteemed environmental journalist, said on 9 October 2007 in an article in *The Guardian* under the headline, "Bring on the Recession":

"I hope that the recession now being forecast by some economists materialises...A recession in the rich nations might be the only hope we have of buying the time we need to prevent runaway climate change."

To paraphrase what was said by a former Conservative Chancellor of the Exchequer, that is saying that joblessness and unemployment are a price well worth paying to stop climate change. That would be an entirely unacceptable position for any hon. Member to take, as I do not believe that economic growth can be anything other than good for my constituents. I am sure that most hon. Members believe the same.

I wanted to contribute to the debate because, as the Minister who took the Crossrail Bill through the House—

Graham Stringer: Shame.

Mr. Harris: I hope that the House does not adopt that particular view.

The Bill was initiated by my hon. Friend the Member for Halton (Derek Twigg), and I had the privilege of taking the measure through its remaining stages in the

[Mr. Tom Harris]

House until it received Royal Assent earlier this year. I have strong reservations regarding the effect of the cancellation of the third runway on Crossrail, which will link Maidenhead and Heathrow in the west to Kent in the east, and will provide an essential link to the City of London from Heathrow. In recognition of the importance of that link, the City will fund up to a third of the £16 billion capital cost. It is a robust funding package, but it is not immune to external factors, including any Government decision to say no to a third runway.

If the Government expressed such a lack of confidence in Heathrow's future, how would the confidence of City institutions in Crossrail be affected? Is the hon. Member for Chipping Barnet (Mrs. Villiers) aware of the unhappiness in the business community about her party's policy for Heathrow? I will say something about her solution to capacity constraints at the airport.

Lest the hon. Member for Lewes (Norman Baker) be allowed to have the last word as far as my position on high-speed rail is concerned, I make it clear that I strongly support high-speed rail—for the right reason. I am not in favour of it for environmental reasons in particular, but it has a part to play in the long-term prosperity of this country. It can provide extra capacity, and, if we get High Speed 2 and, I hope, High Speeds 3 and 4 up and running over the next decades, it will be of economic benefit to the whole country. But can we separate the argument for high-speed rail from the argument for the third runway? If we are to propose a high-speed rail network, let us propose it and work towards it. I hope that the next Government—of whichever colour, although I hope that they will be Labour—will begin the planning process for a new high-speed rail network.

Mr. John Leech (Manchester, Withington) (LD): Will the hon. Gentleman give way?

Mr. Harris: If the hon. Gentleman does not mind, I shall try to make progress.

May we please, however, separate the argument for high-speed rail from the arguments for the third runway? No one believes the Conservative claim that a high-speed rail network will have any noticeable effect whatever on capacity at Heathrow.

Mr. Brazier: I am listening to the hon. Gentleman with respect, although he has not explained why he said, in answer to a written question in March, that there was not a single official in his Department working on high-speed rail. Will he not accept that other countries recognise that high-speed rail can replace aviation, that Air France now operates train franchises between Paris and Brussels, which is a step in that direction, and that it is a case not just of replacing many internal flights to places such as Manchester and Leeds, but of replacing some international flights to places such as Brussels and Paris, to which Heathrow could be linked?

Mr. Harris: I admire the hon. Gentleman's optimism, but, as the Secretary of State said, if 100 per cent. of all domestic regional flights were moved en masse to a high-speed rail network, there would be only a 2 per cent. improvement in capacity at Heathrow. The hon. Member for Lewes told me earlier in an aside across the Floor of the House that his calculations for a 26 per cent. shift from flights to high-speed rail assumed that people would use high-speed rail to reach European destinations. But that would happen only if every single person was forced—against their will—to use high-speed rail instead of flights to reach European destinations. I understand why the Liberals, being a liberal party, might want to force people to do that, but I am amazed that the Conservative party has put itself in the position where it suggests that we need a 100 per cent. shift to high-speed rail by everyone who would normally use those flights.

Mr. Brazier: Will the hon. Gentleman give way?

Mr. Harris: Will the hon. Gentleman mind if I do not? I have only five minutes left, and he may have his chance to give a winding-up speech later, although I shall not be present to hear him, as I said.

Further to the point that I made to the shadow Transport Secretary, the hon. Member for Chipping Barnet, I must say that with so many regional flights to Scottish airports from Heathrow, it is amazing that the Conservative plans for high-speed rail do not include running it north of the border. On a Thursday night, when I leave this place, I should be more than happy to take a high-speed train to Glasgow, but it seems that the Conservatives do not have enough confidence in their planning ability or, indeed, in their electoral prospects north of the border to invest in a high-speed line to Glasgow.

The Conservative party knows how long it took to get the Crossrail Act 2008 on to the statute book. It took three years of parliamentary time, and we still have not started laying any lines and the first Crossrail services will not start until 2017. If the Conservative party is truly serious about relieving congestion at Heathrow, it will have to come up with a solution that is slightly more short term or medium term than a high-speed rail network, because how long will a 300-mile or 400-mile network take to plan and to go through the hybrid Bill process over goodness knows how many years? That is before we have laid a single piece of line. We are talking about decades before a high-speed rail network would be up and running, and the idea that Heathrow and its capacity can wait that long is fantasy politics.

I strongly suspect a deep level of cynicism from the Conservative party that is more about winning seats to the west of London at the next general election than it is about any concern at all for climate change. I have spoken off the record to several Conservative MPs—including at least one member of the party's Front-Bench team, although they were not from its Transport team—who agree that the Conservative policy of opposing the third runway is disastrous. If the Conservative party goes into the next election with that commitment in its manifesto, it will have proved that it is not serious about growing this country's economy.

6.45 pm

Adam Afriyie (Windsor) (Con): I shall keep my comments as sharp and as brief as I can and address four issues: the economic concerns that I have; the concern about the concept of a hub being undermined if Heathrow is not expanded; the quality of life for people around Heathrow and in my constituency; and, why the other options have not been considered in full.

We live in exceptional times. We have recognised the environmental impact of climate change, we face a banking crisis and we will face an economic recession or, at least, a serious downturn. The question is how painful and deep that downturn will be. Under the circumstances, it cannot just be "business as usual" when it comes to Heathrow expansion; something fundamental has changed over the past few years since the White Paper and, certainly, within the past 12 to 14 months. We must therefore re-examine the case for expansion and challenge the assumptions that underpin our thinking about the creation of a third runway at Heathrow. From what I have heard from the Government Front-Bench team today, I must say that their ideas are painfully stuck in the past, they have not been updated as the facts have changed and there is now a strong demand for the renewal of their thinking.

When the assumptions about economic growth and whether the runway would impact on the environment have been swept away, when the assurances that boom and bust would not return have been exploded, and when the notion that economic growth is inevitable has been turned on its head, it is necessary for us to consider the impact of aviation before rushing into another costly mistake that is out of kilter with the modern world.

Let us be clear: with a third runway, the quality of life of millions of people will be at risk. But before I reach those concerns, I shall make two quick points, so that I do not end up taking interventions suggesting that I am arguing for Heathrow to close or for it to be undermined. First, Heathrow provides a wonderful level of jobs, contributes greatly to the economy and, along with the other four airports around London, is important in our international framework. Nobody in this debate is arguing for Heathrow to be reduced in size or fundamentally undermined.

Secondly, from my personal perspective, terminal 5—despite the massive teething troubles—was great, incorporating the idea that if we want to make Heathrow better, why not create a new terminal that makes life easier and smoother for passengers? I am sure that many other things can be done at Heathrow to make travelling far better for those who pass through it or fly directly from or to it.

I turn to my concerns. First, on the economy, *The Guardian* suggested in one of its reports that there will be about a 2 per cent. reduction in the number of flights during this winter alone at Heathrow, amounting to 25 flights a day. The argument has been made that even if there is a downturn or a recession, we will still have to take long-term decisions, and that is absolutely right. However, if we have a three-year or four-year slowdown or a slight decrease in activity, it will nudge forward the point at which any project needs to be started. There have been delays, and I take the point about Crossrail, so we need to make up our minds fairly briskly. However, we should not ignore the fact that a slowdown in economic growth delays the necessity for, and start date of, further developments.

As an economics graduate, I must say that the Oxford Economic Forecasting report, which I mentioned earlier in an intervention, missed three or four key variables that we must consider when assessing the economic impact of an airport, the economic impact on the take at the Exchequer and the overall value to the economy. If we ignore the money spent abroad by people leaving the UK relative to the money spent here by people who fly in, we clearly ignore a vast sum. That fact seriously undermines the report.

David Taylor: I am pleased that the hon. Gentleman has raised that issue. In fact, in the last year for which data are available, foreign visitors who flew to the UK spent £11 billion and UK citizens spent £26 billion abroad on holiday. The key point is that the gap is steadily growing. Any suggestion that Heathrow expansion would be good for British tourism at home is absolutely barmy.

Adam Afriyie: The hon. Gentleman has made the point well. That was just one of the variables—a multi-billion-pound variable—completely missing from the Oxford Economic Forecasting report. We have to take a lot of that report with a pinch of salt, especially considering who commissioned it. I shall not go through the details of the CE Delft response to the report, but it undermines many of the main assertions and assumptions in it.

I also want to challenge the idea that if we do not significantly increase the number of flights in and out of Heathrow, the concept of Heathrow being a hub will be undermined. I would put it this way: it is the five airports in the south-east and around the London area that constitute a hub. A few routes or destinations may have been lost in the past decade or 15 years, but where is the model that demonstrates the extent to which it is no longer viable for Heathrow to be a hub or part of a five-airport hub? I have even asked BAA to show me the evidence, but so far nobody has been able to present the relevant mathematical model or the relevant evidence from other places around the world. Again, the challenge is still there, but the facts and the model to demonstrate the extent to which Heathrow's or the UK's status might be undermined are not.

Mr. Brazier: My hon. Friend is making a powerful speech. People would be very pressed to produce such evidence, given that a pair of slots can change hands for £30 million.

Adam Afriyie: Price is a great arbiter and if the price is going up, there is not a major issue today. However, I am open-minded; I would welcome the evidence and modelling, for which I have asked on four or five occasions.

Mr. Hoon: I just want to deal with the intervention made by the hon. Member for Canterbury (Mr. Brazier). The hon. Member for Windsor (Adam Afriyie) is an economist. The fact that scarce slots are changing hands at high prices indicates a lack of capacity. An economist would confirm that, would he not?

Adam Afriyie: Yes, but it also indicates that people are willing to pay the price. A market can operate at any price. I shall leave that issue there; I have only a few minutes left.

The third issue that I want to consider is the quality of life for people around the airport. There is no doubt that the quality of life for those woken by night flights is ruined. To be slightly contrary on the issue, I should say that if people purchased houses under an existing flight path, they knew what they were buying into. The great injustice of expansion at Heathrow, however, is against

[Adam Afriyie]

the hundreds of thousands—potentially millions—of people who did not purchase houses under flight paths but who will live under them. That gross injustice needs to be taken into account.

I should like to put on record once again that the noise of a single aircraft will wake people at night and disturb the environment during the day. The issue is not only about the average noise levels across an area; the specific noise of each individual aircraft also needs to be taken into account. There is also the traffic, certainly around the M25, that interferes with the daily lives of my constituents in Windsor and those of the constituents of many other hon. Members. I turn to the flight limit of 480,000; if we proceed with the Heathrow expansion, that figure will be blown out of the water. There will be a 40 to 50 per cent. increase in flights and the Government will find an immense amount of active public campaigning to ensure that the limit is not undermined. Pollution is also a factor, of course.

I want to say a few words about the alternatives. Given the change in economic circumstances and the understanding and acknowledgment of climate change, this is surely the moment to step back, take a breath, think about the issue for a month or two and take the changing facts into account. Some Members have been having a bit of fun, laughing at high-speed rail links and asking how long they will take to build and how difficult they are to bring about. Actually, it is a serious matter. We could have a strategy based on very-high-speed rail links throughout the United Kingdom, perhaps including Scotland.

Opposition Members have been doing our best to work out a better way to tackle climate change and our transport challenges. With the rest of the British public, we are incredibly frustrated and annoyed that the Government have not stepped forward with anything that would do that. We are working with limited resources. Rather than lambasting what we are trying to do, the Government should get on board and put forward their own proposals as soon as possible.

I would like better noise and fuel efficiency standards for aircraft. I think that they are coming through, but we may be able to do something to lay out the longer-term framework for the type of aircraft that we would welcome into Heathrow and other airports in the south-east.

Finally, I turn to the new airport that has been proposed, tentatively, by Boris Johnson, the Mayor of London. He is clearly passionate about the concept. Surely, once again, we should take a pause, step back and have another look at such alternatives. Technology has moved on; there has been a lot of innovation in the aviation, construction and engineering sectors. There may now be possibilities that did not exist five or 10 years ago, when they were last considered.

It feels to me, my constituents and those of many other hon. Members that the Government are riding roughshod over the views of local people and the mood of the country. They have neither taken into account the changing economic circumstances nor adequately considered the alternatives. The facts are changing, and I urge the Government to pause and take the opportunity to change their mind.

6.57 pm

Ann Clwyd (Cynon Valley) (Lab): My right hon. Friend the Secretary of State for Transport has answered one of the questions that I was going to ask him. It was about how he travelled when he was a Member of the European Parliament. He was lucky in being able to travel from East Midlands airport. I live 20 minutes from Cardiff airport, but when I was a Euro-MP I had to travel every week, backwards and forwards, to Heathrow. Reasons such as that are among the many reasons Members other than those with constituencies in or around London are interested in what happens at Heathrow.

The debate has been interesting and I have thoroughly enjoyed listening to the various points of view. However, I am surprised that people have not made the case more strongly for regional airports and their further development. Cardiff airport is just down the road from where I live. Every morning in London I wake up at about half-past 5, for the usual reason—noise overhead. I am arguing for the expansion of Cardiff airport, but I realised this weekend, as I was lying in bed at home in Wales, that I woke at exactly the same time, because there is aircraft noise overhead there as well. Nevertheless, I want to argue for the future of regional airports, because air transport in the UK is over-centralised. Those who have been Euro-MPs will realise that more and more. Compared with other European countries, there is over-centralisation in this country.

The 2003 White Paper contained a specific undertaking to encourage the growth of regional airports in order to support regional economic development, provide passengers with greater choice, and reduce pressures on more overcrowded airports in the south-east. It also set out the general importance of regional airports to regional economies. Encouraging people to fly on direct services from their local airport rather than making a long journey to a hub airport not only reduces emissions but can reduce travel time for business and leisure users. For example, the airline Flybe estimates that the 900,000 extra passengers that it carries to and from Southampton airport in a two-year period saves 17 million car miles per year. That is an important consideration.

The 2003 White Paper proposed 33 per cent. higher volumes of air traffic in Cardiff if south-east capacity were constrained and there were no additional runway. The 2006 progress report on the White Paper says that the policy remains to make the best use of existing airport capacity. Cardiff airport has capacity available at all times, including peak times. The other week, on my way to Geneva, I was held up at Heathrow for three and a half hours because of fog, yet my own local airport is practically fog-free all year round. That is an additional irritation and an additional argument for the development of Cardiff-Wales airport.

Mr. Brazier: The hon. Lady is making a powerful point. Does she agree that the astonishing success of the Boeing Dreamliner, with nearly 850 orders having already been placed for an aircraft not yet in flight, is a sign that, as Boeing and the market believe, we are moving towards point-to-point movements between regional airports rather than just the old hub and spoke model?

Ann Clwyd: I hope that that is true. I have heard similar stories over the past 25 years, when I have been frequently travelling by air, yet in all those years of

representing my area I have not been able to fly from Cardiff regional airport to any place where I want to go. Some 2.5 million journeys use other airports, with increased journey times, mainly by road, to and from non-Welsh airports, and 800,000 Welsh passengers use Heathrow. One can imagine the movement up and down the M4; in fact, I know it, because I take part in it most weeks. That route is becoming increasingly congested.

About 10 per cent. of the south Wales traffic going to Heathrow is to destinations already served by Cardiff airport, but people go to Heathrow because the service is more frequent. A further 40 per cent. of the south Wales traffic lost to Heathrow goes to European destinations that Cardiff could and should serve. Half the market that Heathrow gets from south Wales is not long haul. All those passengers access flights via road because there is no direct Cardiff-Heathrow flight. The additional surface journeys also add to the CO_2 signature of those journeys compared with using the local airport in Cardiff. Unfortunately, airlines have little incentive to serve the south Wales market directly via Cardiff while they can concentrate demand via Heathrow. High-speed rail alternatives do not exist for the south Wales market to any destinations that the airport serves or would wish to serve. That is another deficiency.

In March 2006, Cardiff airport published a master plan setting out the case for the airport and the economic benefits that it generates for the surrounding community. The airport's location permits the scale of development required to optimise its potential to be undertaken with very low environmental impact and with the opportunity to protect against future noise impact on people. That creates a competitive advantage for Wales relative to many other regions.

It is recognised that aviation could make a significant contribution to the Welsh economy and social welfare. As we have heard so often today, air services play an important role in attracting inward investment and in stimulating and supporting the growth of local businesses in an increasingly global marketplace. They are also a means by which people can enjoy the benefits of leisure travel and by which Wales can, and should, attract more direct tourism.

CBI Wales has said that it is

"concerned by the lack of strategic importance attached to Cardiff International Airport and the business community strongly supports development of the airport and access to it."

It also points out the necessity of air freight facilities for many hi-tech manufacturing companies and says that such companies would not locate in south Wales unless airport access and capacity were improved. Wales TUC said in response to the Department for Transport's consultation on air transport in Wales that it saw the

"development of Cardiff International Airport as a key strand within any economic development strategy for Wales".

The Government's own forecasts acknowledge that an unconstrained Heathrow would adversely affect regional airports, including Cardiff. Heathrow takes significant numbers of short-haul European passengers from south Wales. As I understand it, the third runway would be aimed at maintaining the frequency of flights in the short-haul markets that might otherwise be capped or constrained at Heathrow. Constraint in the short-haul markets at Heathrow would encourage greater use to be made of regional airports such as Cardiff, thereby also reducing emissions arising from journeys by road.

I thank my right hon. Friend the Secretary of State for sitting in the Chamber all afternoon—it is much appreciated. He will have heard the arguments from all parts of the House. However, let me say finally that Cardiff airport is ready and able to take up the opportunity that a constrained Heathrow airport would present, and it enjoys widespread support for growth. I am sorry to say that the Government's support for the third runway flies in the face of the commitment that they made in their own White Paper:

"A key priority is to increase the choice of routes and services at airports outside the South East, to promote regional development, relieve pressure on the more overcrowded airports, and cut down on the need for long-distance travel to and from airports, thereby reducing emissions."

I rest my case.

7.8 pm

Susan Kramer (Richmond Park) (LD): I have obviously timed this terribly badly, because the Secretary of State has just chosen this moment to leave.

The Secretary of State said something that many of my constituents will regard as the bare-faced truth but that was quite shocking to hear—that not only his Government but previous Governments have clearly given the steer that Heathrow is to expand in future. My constituents have been told very directly, first in the battle over terminal 4 and then over terminal 5, that each expansion was going to be the last. I remember being taken aside by Sir John Egan, who tried to explain that the then Member for Richmond Park, now Baroness Tonge, did not understand aviation economics when she said that terminal 5 would be followed by the third runway.

I suppose that to hear it said so openly is refreshing in some ways, but in many ways it is a shock. It explains much of the cynicism and concern that my constituents feel about BAA and the Government when it comes to anything to do with Heathrow.

Someone else no longer in his place, the hon. Member for Spelthorne (Mr. Wilshire), talked about the third runway and the expansion of Heathrow as if that were going to lead to a new dawn. There may be a little breathing space when there is some capacity and a pleasant atmosphere but, given the way that BAA runs that airport, it will be filled to the brim even if it has to offer £4 seats. That is how the aviation industry works: if it is given some additional infrastructure and capacity, it will do to fares whatever is necessary to fill it. In only a matter of years, we would return to exactly the same chaos we have now.

Mr. Gummer: Does the hon. Lady agree that the reason for that is the financial mechanism according to which aviation companies are run? If they can keep aeroplanes in the sky, because the costs go on in any case, they can make money even if they carry just five passengers to Manchester. That is inevitable given the way the leasing of aircraft operates.

Susan Kramer: The right hon. Gentleman is exactly right. Even a whole debate would not encompass some of the complexities and biases, including the subsidies mentioned earlier, involved in aviation economics.

[Susan Kramer]

Much has been said that I do not want to repeat, but with which I would like to associate myself. Concerns have been raised about the devastating impact of the third runway on Sipson in particular, but on the entire surrounding community. Concerns have also been raised about climate change and the fact that moves to expand Heathrow fly in the face of any attempt to tackle what is probably the most serious problem of our day. I want to associate myself, too, with all the plans for modal shift and high-speed rail, which I have spoken about in this House before. Those issues have been expressed clearly.

However, because of the circumstances of my constituency, I would like to focus not on the third runway but on the plans to end runway alternation. The Government plan to approve the third runway, but there are so many impracticalities and economic issues—not just the recession, but BAA's financial condition—and environmental resistance to the runway is growing so strongly, that I believe those plans will be set aside. The Government will then pursue an end to runway alternation, which will mean utter devastation for my local residents.

The consultation documents propose that with a full mixed-mode process—the opposite of runway alternation—an additional 60,000 aircraft movements a year become possible, which is a 12 per cent. increase. Those are not movements as we know them because the airport is currently able to pursue a policy known as continuous descent approach. In other words, aircraft stay as high in the air as possible and come down as steeply as possible, minimising the noise impact on the ground. That will disappear with a move to mixed mode, and the consultation documents are clear on that. At present, about 85 per cent. of planes use a continuous descent approach; that figure would fall to between 35 and 40 per cent. if we moved to mixed mode, which would mean the noise was much louder. The noise would be overhead all day.

The hon. Member for Feltham and Heston (Alan Keen) commented that the impact on daily life would be phenomenal. That was very well said. When we look at the consultation documents, we see that the shoulders of the day would be most impacted by the move to mixed mode. One of those shoulders is the period from 6 am to 7 am. Let us imagine that being the worst hour of the day for noise in my constituency. There would be a plane overhead every 90 seconds between 6 am and 7 am. The second worst time of the day would be between 11 pm and 11.30 pm. Those would be the two most noise-impacted periods if we adopted the mixed mode. The impact would be devastating.

There would not just be an impact on my constituents, although that is bad enough. Already, little boys stop me and say that they cannot hear their television programmes because of planes overhead. We all know that people cannot talk in their gardens, and that families who want a wedding in a church garden have to pick an afternoon when the planes will not be overhead; otherwise, the whole ceremony will be destroyed. I went to the opening of a school by Sir David Attenborough. The opening of the wildlife garden was timed slightly wrong, and he had to stop his speech every 30 seconds to allow for the planes to go past. The impact is huge. However, my area is economically important, and if people will not live there because their lives are about to be destroyed, the potential of London's economy will be undermined.

Mr. Marshall-Andrews: I simply offer the hon. Lady another example. As I think she knows, many schools in her constituency plan their curriculum around runway alternation every week.

Susan Kramer: The hon. and learned Gentleman is exactly right. He will know that the consultation document says that if we go to mixed mode, 20,000 schools—a phenomenal number that I will need to double check, but the Minister will undoubtedly do so—will be impacted by the greater noise to the extent that they will require compensation and insulation. The impact would be huge and devastating.

I am afraid that there is a divide-and-conquer strategy behind the policy. The Minister could come to my constituents and say, "Look, if we have a third runway, you can get rid of runway alternation." That strategy would be an attempt to divide and conquer. We have hung together because of the issues of climate change, quality of life and London. My constituents are determined, and they would not appreciate the subterfuge that I think will be presented to us.

I shall move on because I am trying to get through my speech quickly. I will make a couple of comments on the business issues that were raised, because business is my background. When I first saw the consultation document and asked for the addendums with the technical details, I thought I would see a proper analysis of business in London and what it needed in the way of transport and aviation services. It was not there. We have a generalised analysis that says, "If fares go down, leisure traffic goes up, and we assume that fares will go down, therefore leisure traffic will go up." That is part of the mispricing process we talked about.

The analysis said that business travel was not much attached to anything—except perhaps slightly to GDP. Essentially, it said that we do not really know why business travellers travel. From talking to businesses, I find that nearly everyone is determined to reduce their carbon footprint, and they are all looking at alternatives to travel. When I ask them the simple question, "Do you want a bigger Heathrow?", they say, "Yes, and more destinations would be nice," , but when I ask them what they specifically want, I find that they want to get to certain major destinations across the globe with reasonable frequency, and nothing more. Heathrow provides for that, which is exactly the point I have been making. That is why the number of destinations have come down. This is not a macho situation where people say, "I move to the place with the most destinations". Businesses want a service that works for them, which is all that they need. They need a reasonable number of services to the main destinations around the globe. They already have that, and growth is not required.

My final point relates to my constituency. Mention was made of Airtrack, and I attempted to intervene on the Secretary of State on that issue. Airtrack is a wonderful notion, and it is tied into Heathrow, not just with regard to PR matters but as a way of showing people that air quality will be managed by new public transport.

BAA Airtrack sounds wonderful. People can get on a train at Heathrow, go through Staines, Twickenham and Richmond and end up at Waterloo. Who could complain about that? But in developing this proposal, BAA and the Government forgot my constituency. I only heard that this project was to be made real some

days ago, through an accidental comment made by a reporter. I have met BAA since, and it understands my concerns. It is finally going to hold an exhibition on this project in my constituency as part of their consultation.

About a third of Richmond Park is bounded to the north and east by the river and to the south by a railway line. There are four level crossings on that railway line and, according to Network Rail, those level crossings will be down for 45 minutes out of the hour at peak time because of the Airtrack project. About a third of my constituency will become, in effect, landlocked. People will not be able to get out to work, school or the shops. We will not be able to get police, ambulances or fire services in—we are landlocked. The consequences will spill on to the major arteries—the A316, the A205 and the south circular—making them impossible. Nobody considered the matter—it did not even occur to anybody. No one picked up the phone to Richmond council when developing the proposal. It is phenomenally daft. It happened because, when they hear the word "Heathrow", BAA and the Government think about the airport and the passengers and forget the surrounding communities.

I ask the Minister to help me. I have attempted to arrange a meeting with the new Minister responsible for rail. BAA had the courtesy to send its chief executive to participate in the conversation, and I hope I can get that commitment from the Minister in his winding-up speech.

We have demonstrated the lack of concern for people who live near the airport. The airport is where it is because neighbouring residents are willing to allow it to be there. However, if we try everyone's patience too far, we will begin to threaten Heathrow's continued existence. That would be devastating.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. There will now be a 10-minute limit on Back Benchers' speeches. I hope that most, if not all, hon. Members can contribute to the debate.

7.21 pm

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): Most hon. Members referred to the extent to which Heathrow is creaking at the seams. That reflects not neglect or negligence through the failure of Governments in the past 30 or 40 years to expand facilities, but the fact that expansion at Heathrow is inherently problematic. Every proposal for expansion has encountered strong opposition, and the public inquiries that examined the proposals for terminal 5 and, before that, terminal 4 highlighted the conflict between economic, environmental and quality of life arguments. I shall return to that shortly.

First, I want to reflect on the conclusions of the mammoth inquiry, over which Roy Vandermeer QC presided. He reported on terminal 5 after a five-year inquiry. At the end of an eight-year process, the Secretary of State agreed Vandermeer's proposals for terminal 5, with a clear understanding that there would be a cap of 480,000 flights a year because of the need to protect the environment and people's quality of life. It is worth quoting Roy Vandermeer's report. He said:

"While I consider that the noise impact of 480,000 movements could be made acceptable, I am firmly of the view that any such further increase in flights, however it might be achieved, would rapidly become intolerable. The proper application of the precautionary principle demands the imposition of a planning condition to prevent this and to restore public confidence that Heathrow would be properly controlled."

He emphasised restoring public confidence partly because his predecessor Ian Glidewell, who presided over the terminal 4 inquiry, also suggested that if terminal 4 went ahead, it should be accompanied by restrictions. However, no restrictions were imposed in that case. That was in the lifetime of a Conservative Government, so no one should make party political points—Governments of all persuasions probably have something to answer for. However, no restriction was imposed and people felt angry. Roy Vandermeer reflected in his report the anger at the fact that the assurances that had been given could not be believed.

Those of us with long memories have a sense of déjà vu. Once again, we are presented with economic arguments for further expansion at Heathrow, which would make a mockery of the conditions that Roy Vandermeer set down and that the then Secretary of State, my right hon. Friend the Member for North Tyneside (Mr. Byers), accepted in 2001, and which would expose those living on the flight path to even worse noise and more prolonged noise disturbance than they experience today.

The proposal for a third runway and mixed-mode operation would increase capacity at Heathrow to up to 720,000 flights a year, compared with the 480,000 that Vandermeer felt was the maximum that could be accommodated. As we have heard, it would involve the demolition of 700 homes at Sipson and the destruction of the community there, as well as having an adverse impact on other surrounding communities. It would intensify noise nuisance for millions of people.

John McDonnell: I was at the inquiries for the fourth and fifth terminals. My right hon. Friend will remember the RUCATSE study in the early 1990s, which informed some of the inquiry discussions. It stated that the expansion would render 4,000 homes unliveable, and therefore potentially affect up to 10,000 people.

Mr. Raynsford: My hon. Friend, who made a forceful speech, rightly highlights the huge advérse impact that the proposal would have on large numbers of people in his constituency.

As the hon. Member for Richmond Park (Susan Kramer) rightly said, ending runway alternation would have serious consequences, not least because of the prolonged period during which people would be exposed to noise without the benefits of the alternation system that currently operates, and because of the ending of the continuous descent approach, about which she made a specific point. That is important to me, in a constituency many miles from Heathrow, where the continuous descent approach means that aircraft are at a relatively high altitude when they fly over Greenwich. Ending CDA would compromise that, and, with several flights coming in very much lower, the noise problem, which is already significant in Greenwich, even at our distance from Heathrow, would become much worse.

It is significant that I get more complaints about noise from aircraft approaching Heathrow, which is approximately 14 miles away, than I do about London City airport, which is just across the river, only 1 mile away. That gives an indication of the existing problem and it is why residents in my area and elsewhere regard

[Mr. Raynsford]

the 57 dBA LEQ contour, which is used as an indicator of noise, with deep suspicion. Noise nuisance is much broader than that contour suggests. It is a genuine problem, which, even at my distance from Heathrow, I experience.

The worst consequence of proceeding with the proposal for a third runway is that no one believes that that would be the end of the story. If the previous restrictions were swept away, and we were told that a third runway and a sixth terminal were essential, what would stop a future Secretary of State saying in a few years, "We need a fourth runway. After all, Schiphol's got four runways, so why can't London? It's time for terminal 7 or 8"? The process would continue, there would be further demands for airport capacity and, therefore, further conflict with the needs and aspirations of people whose lives would be blighted by the expansion, and a scenario that would lead to even more unacceptable noise nuisance and pollution.

Heathrow is simply not in the right location for London's hub airport. If we started from scratch today, no one would propose putting London's hub airport at Heathrow. The location is the product of planning decisions that were made in the 1940s in a completely different world for traffic movements, noise and other matters, and in the curious absence of any new airport building in this country in comparison with others. Let us look across the channel to France. In the same period, France has moved its main airport from Le Bourget to Orly to Charles de Gaulle. There was no problem about moving it to a new site. France felt that that was necessary and did it. We ended up simply adding capacity at Heathrow, thereby aggravating the problems that I have mentioned.

If there was no alternative, and the proposal was the only way we could expand an airport that is essential to our economy—I entirely accept the arguments for its economic importance—it would be understandable. However, 40 years ago people began to realise that there was an alternative, and that we could plan an airport in a location in the Thames estuary, where there would be less conflict between the needs of the surrounding population, the environment and the economic demands than at Heathrow. Unfortunately, Maplin did not proceed. I personally believe that the subsequent Cliffe proposal was unsatisfactory and bound to fail, and I wonder whether it was made with that outcome in view.

However, I still believe that the estuary is the right location, although any decision will have to be carefully planned. There are genuine concerns—my hon. Friends who represent constituencies in that area have expressed doubts about estuary locations—but there is the potential to achieve an airport on reclaimed land. That has been done in other places, such as Kansai in Japan and Hong Kong in China, where reclaimed land has created a far better environment for an airport, as flights can approach and land over water, thus reducing noise nuisance and, incidentally, the risk to public safety. I must emphasise that having flight paths approaching and leaving Heathrow over densely populated areas raises genuine concerns. My hon. Friend the Member for Hayes and Harlington (John McDonnell) rightly highlighted the risks implicit in that.

In the words of the Secretary of State, who earlier argued for a strategic approach to airport development, the issue is one that we really need to address. We need to address it in the context of the Thames Gateway regeneration, which gives us an opportunity to transform the entire economy of south-east England, by improving the performance and development of some of the more deprived parts and thereby rebalancing the economy, which has shown a heavy tendency towards overheating to the west of London and too much dereliction and underdevelopment to the east. The Thames Gateway opportunity, aided by the siting of an airport there, holds out a great economic opportunity for our country.

My final point is that siting an airport there also holds out the prospect of far better integration of different modes. Good high-speed rail links via Ebbsfleet could easily be established at an appropriate site in the estuary, which would then connect both to London and the rest of the country, and to Europe. That would give people opportunities to travel to Europe by rail rather than by aircraft and would improve links throughout the country. My hon. Friend the Member for Glasgow, South (Mr. Harris), the former Transport Minister, who is no longer in his place, argued the case for Crossrail, which could provide a link between Heathrow and an estuary airport and further enhance those opportunities.

I am not one of those who believes that an estuary airport is an alternative. The estuary is the right location for the hub in the long term, but that is compatible with continued operation at Heathrow for many years to come. That would help us to begin to overcome the dreadful consequences of our failure to grasp the nettle and get the right location for our hub airport over the past 30 years.

7.32 pm

Mr. Rob Wilson (Reading, East) (Con): I welcome this debate about the huge proposed expansion of Heathrow, which would obviously affect my constituents considerably. Many hon. Members will be wondering what problems Reading might have with such expansion—after all, we are more than 30 miles away. I will try to explain to the House over the next few minutes.

Reading already suffers from considerable flight traffic, as most of the traffic flying out of and into Heathrow goes over some part of my constituency. I have written to Ministers on a number of occasions to express my concern about the growing levels of noise and pollution. I have also raised concerns about the proposals for increased air traffic with NATS. The general arguments about Heathrow expansion are well rehearsed, including from the Front-Bench spokesmen today, and I do not wish to repeat them. I want to focus on local matters that are important to my constituents. Their quality of life is every bit as important as a flawed decision to expand Heathrow with a third runway.

I acknowledge that Heathrow is operating at capacity, handling nearly 68 million passengers a year, when it was designed to deal with many fewer. Heathrow plays a disproportionate role in UK aviation—it caters for 35 per cent. of the UK's aviation business traffic, is used by 90 per cent. of airlines and handles nearly 500,000 air traffic movements a year. Heathrow is already a colossus in aviation terms, however we measure it. However, is the answer to the problem really to build a third runway and add terminal capacity at Heathrow?

The Government looked into the issue in their White Paper, as the Secretary of State said, and set out three conditions. I do not want to repeat them in detail, but they can be summarised as noise, pollution and public access. My constituents are interested in the first two—noise and pollution—both of which I have received regular complaints about. It was therefore a great disappointment to them that the Government appear to be focusing the case for expanding Heathrow on the airport's role in supporting the UK economy. It is almost as if the Government have decided that the best way to get their own way is to frighten or bully the public into agreement, rather than fulfilling their own criteria for any decision. Indeed, that was reiterated somewhat by the Secretary of State's performance at the Dispatch Box today.

The conditions that the Government have set have been overlooked and I am deeply concerned about how the expansion will play out among my constituents. As I am sure hon. Members can imagine, I have had a sizeable postbag on the matter, as many of my constituents, especially those living in the north of my constituency in Caversham, are getting a daily taste of life under the flight path. The strength of feeling about the issue cannot be ignored. Indeed, I have received many letters urging me to oppose any third runway.

My constituents in the north of Reading already believe that they are experiencing a substantial increase in flight traffic and all the noise that comes with that. They are rightly discontented with that. I know that many hon. Members have constituencies that are much closer to Heathrow and constituents who suffer the daily torment of low-flying aircraft. My constituency is 30 miles away and yet we, too, suffer similar problems with noise and pollution.

I have corresponded with several Ministers in the Department for Transport over the past 18 months or so. I recently wrote again to the Minister who is due to wind up this debate. His reply confirmed that Reading, East suffers from substantial air traffic noise. Indeed, I have become quite a nerd on the subject, because it has become so important to my constituents, although I shall try not to go into too much detail.

It has been confirmed that a westerly preference for take-offs, owing to prevailing westerly winds, has been operating at Heathrow since 1962, as the airport attempts to reduce the number of departing aircraft taking off over areas to the east of the airport. That is quite sensible, because the areas to the east of the airport are more densely populated. Generally, the westerly preference operates for 70 per cent. of a typical year. An aircraft taking off towards the west is slightly less of an issue for my constituents, because departing aircraft have to follow set routes known as noise preferential routes or NPRs. When an aircraft reaches 4,000 ft, air traffic control can leave it on that NPR or put it on a more direct route to its destination. The key point, aircraft experts tell me, is that aircraft today can reach 4,000 ft pretty quickly.

Normally, an aircraft would be above 4,000 ft by the time it reached Reading and still ascending. In those circumstances there is not really a problem. But—and it is a pretty big but—because aircraft departing to the west must have a vertical separation of 1,000 ft from arriving aircraft, which descend from the southern holding stacks for safety reasons, they have to lower their altitude until there is a clear crossing area. That basically means that aircraft have to lower their altitude at Reading for safety reasons. Many aircraft are now so low that my constituents have written to me to express their concern that they are in fact flying below 1,000 ft. I do not know whether that is true without getting out my measuring tape. It seems unlikely, but even so, it may be worth the Minister taking a look at that claim, because it could be quite dangerous if it were true.

Matters are made much worse for my constituents when Heathrow changes to an easterly operation for 30 per cent. of the year. The Department for Transport has sent me the landing maps, which show that Reading is a blizzard of low-flying aircraft. Aircraft are held in holding stacks and then join the airport's instrument landing system. That brings aircraft much lower over my constituents. Again, the situation is not as bad as it is in the areas closer to Heathrow, but the noise makes a difference to my constituents' quality of life. Expansion will mean more noise and pollution for them, and the number of flights to and from Heathrow could rise from 480,000 a year to nearly 800,000 with a third runway. More and more people, including my constituents, will be under Heathrow's flight paths, and the effects will be intolerable. We all know that the south of England is increasingly overcrowded, particularly regarding road transport. Any expansion of Heathrow will make matters much worse. One constituent who wrote to me put it simply:

"I feel very strongly that we cannot just keep accepting this endless expansion without question."

In the absence of anything like a compelling case from the Government, my party has decided to oppose the building of a third runway at Heathrow, and is instead advocating high-speed rail as part of the alternative.

Mark Hunter (Cheadle) (LD): Will the hon. Gentleman give way?

Mr. Wilson: I am running out of time.

I am absolutely delighted that my party has taken that bold initiative. I am not going to rehearse all the arguments in favour of rail; suffice it to say that the experience around the rest of Europe clearly shows that high-speed rail provides an attractive alternative to short-haul flights.

I am deeply worried that the Government made up their mind about expanding Heathrow even before they finished the consultation. More noise and pollution is not the answer for Heathrow. My constituents want to maintain their quality of life. They want us to concentrate on making Heathrow airport better, not bigger.

7.41 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): The debate has made it clear that there are essentially three issues before us: first, the national economic role of aviation; secondly, the impact of the third runway on the long-suffering people of west London; and, thirdly, the compatibility or otherwise of that runway with an 80 per cent. cut in greenhouse gas emissions by 2050, to which the Government are now firmly committed. I believe that on all three counts, the balance of evidence is clearly now against proceeding with the expansion.

[Mr. Michael Meacher]

On the first point, the airline industry has of course staked its demand for continued expansion on the claim that it is central to the UK economy, but it is not. No one will deny that the aviation industry has an important role, but it ranks as only the 26th largest industry in the country. It is half the size of the computer industry and, until a few months ago, just a 10th the size of banking and finance—*[Laughter.]* That figure will now be slightly different, but I hope that the point is still made. Far from being key to the balance of payments, as the industry often argues, it helps to create a tourism deficit of some £17 billion a year—that is what British tourists spend abroad over what visitors to Britain spend in this country.

In addition, the UK airline industry gets a subsidy of some £10 billion a year from VAT-free tickets and planes, and tax-free fuel. That is taxpayers' money that could be far better spent on promoting sustainable transport systems, not least as a substitute for domestic, short-haul flights. In the past decade, the subsidies have been so large that they have allowed a 40 per cent. reduction in air fares at the same time as rail fares have rocketed by 70 per cent.

The economic case for the third runway is a lot more questionable than has been made out. Indeed, that view was recently expressed in a report released in February this year by the respected consultant CE Delft, which argued that the official figures greatly overestimate both the number of jobs that the runway would generate and the value brought to Britain by extra business travellers.

Mark Hunter: Does the right hon. Gentleman agree that today's debate is about far more than simply the expansion entailed by the third runway at Heathrow, important though that is? Rather, today's debate marks a significant end to the uncontrolled expansion of the aviation sector, which is neither economically nor environmentally sustainable in future.

Mr. Meacher: I entirely agree, and anyone who has listened to this debate would certainly draw that conclusion. As the hon. Gentleman says, the debate is not only on the third runway at Heathrow, nor on Heathrow in general, but on the need for a national policy review and a statement of exactly what aviation means to the national economy, and how we should deal with the requirements given all the options. Like many other hon. Members, I agree that a great deal has happened in the past five years that should cause us to look at the situation again. I am thinking of the volatility in the price of oil; the fact that peak oil supply is probably, on some calculations, only 40 years away; the increasing tightness of carbon budgets worldwide; and possibly—I realise that this is uncertain and that it could be challenged—the gradually changing attitude of many consumers to air travel. For all of those reasons, I entirely agree with the hon. Gentleman.

The second issue is the local environmental impact on 2 million people in hard-put-upon communities in west London. Jets roar over densely populated areas, in some periods as frequently as every 30 seconds. Bad air quality hot spots already exist, and they will certainly increase if the expansion goes ahead. I am glad to leave talk of the road links back to London, which are often snarled up, to those who are far better acquainted with the situation—we heard powerful speeches from my hon. Friend the Member for Hayes and Harlington (John McDonnell) and Opposition Members on that. I shall say simply that those issues, which were eloquently expressed in the Chamber today, will have widespread political, economic and social consequences. We ignore that at our peril.

I wish to concentrate on the third issue, which I think is decisive in its own right. To put it bluntly, tripling Britain's airport capacity is irreconcilable with meeting our climate change mandatory targets. A parliamentary answer in April this year made it clear that aviation already accounts for 13 per cent. of the UK's total climate change impact. That is quite a high figure, but the key point is that it is now the fastest-rising generator of greenhouse gases in Britain. That has awesome implications.

The Tyndall centre in Norwich, which is widely respected worldwide for its climate change research, is now predicting that aviation emissions on their current trajectory will account for up to 100 per cent. of the UK Government's carbon budget by 2050. In other words, even if we retired every car off our roads, unplugged every electronic device and closed every factory, we would still not be able to meet the climate change targets, because of aviation. I recognise that a Secretary of State for Transport may not be overly concerned about climate change targets that, after all, have to be met 40 years in the future. However, it is extremely unwise not to take account of the fact that we now have five-year carbon budgets. If aviation continues disproportionately to increase its share of that limited budget, others, which can only mean industry and private households, will have to take a sharply decreasing share. That could cause extreme difficulties, to put it mildly.

Norman Baker: The right hon. Gentleman has a strong record on this subject. I invite him to make a link between his first point about the economy and his current point about climate change. The Government's costing of the damage done by a tonne of carbon is estimated at £19, but the Stern review made it clear that £53 would be a more appropriate figure. If that figure is used for carbon damage, does it not entirely wipe out any supposed theoretical economic gain from aviation in any case?

Mr. Meacher: I entirely accept the hon. Gentleman's point, to which I am sympathetic. There is considerable argument over which base figure to use and it is possible to produce very different conclusions depending on what is chosen.

Of course, it is possible to argue—the Secretary of State did so afternoon—that we should not worry too much because the Government are going to include the aviation industry in the EU emissions trading scheme. I draw the Secretary of State's attention to the fact that Ernst and Young calculated in June last year that even in the toughest EU scenario—I must say that, bearing in mind we are talking about the EU, I would not bank on that—aviation emissions will grow by 83 per cent. by 2020. That is fractionally less than business-as-usual scenarios.

Another argument that is often used and which needs to be put on the table is that the airline industry will get round the problem simply by buying carbon credits

from other industries or from abroad under the emissions trading scheme, while still expanding with impunity. I think that that is extremely perverse and the fact remains that the EU will almost certainly set the credits allowance well below the level that is needed by the industry.

Finally, one environmental constraint, which will apply very quickly, is mandatory under EU law and cannot be circumvented. I refer to mandatory EU targets on nitrogen oxide, which come into force in 2010—only a little more than a year away. The Secretary of State for Environment, Food and Rural Affairs admitted at last week's Question Time that NOx levels are already being breached in London. I hate to say this, but, frankly, it is ridiculous to pretend, as the Government do, that if the number of flight movements goes up by 50 per cent.—from 480,000 to 720,000—it will not push up NOx pollution and noise above lawful levels.

Mr. Brazier *rose—*

Mr. Meacher: I have not got time to give way.

In a very revealing article in March last year, *The Sunday Times* showed how the Government created that canard—by allowing senior executives from BAA to "select alternate input data for the environmental predictions until they got the right results".

They did it by removing international flight arrivals from the calculation and by other spurious and misleading devices. As a result, I wrote later in the same month to Stavros Dimas, the EU Commissioner for Environment, asking him to make his own investigation to decide whether he thought the third runway was compatible with EU air quality and noise standards. I received an answer in July, which stated in the third paragraph:

"Technical reports underpinning the Heathrow expansion suggest that 'nitrogen limit values near Heathrow will be significantly exceeded in 2010, the year in which those limit values become mandatory, and that this will be the case even after 2015."

Even if the derogation occurs, 1 January 2015 is the final date by which the mandatory targets become operable. In my view, that settles the argument. There is absolutely no way, when NOx levels are already significantly above the required limit, that adding nearly 250,000 additional flight movements can somehow reduce them. This project is not supported by the Government's own Environment Agency; it does not command a consensus, as we have seen so clearly today; and if the Government recklessly press ahead, the EU is bound to block it. Now is the time for the Government to have another very close look at the issue.

7.54 pm

Mr. John Gummer (Suffolk, Coastal) (Con): What is wrong with Britain when we can never take any big decisions in a sensible manner? I happen to think that airport expansion is not—for reasons associated with climate change—the way forward. If it really is necessary to have more airport facilities, it would be sensible to do what every sensible nation has done, which is to put them somewhere where aircraft do not have to fly over large numbers of people. That seems perfectly obvious to me. Why we cannot take such infrastructure decisions defeats me.

It is depressing in the extreme to see a former Minister laugh at the idea of doing something about high-speed rail, when he used to be in charge of the railways at a time when nobody was working for the railways, and then suggest that it is somehow inappropriate to demand what every other nation in Europe has done about similar problems.

We then heard the Secretary of State suggest that it was somehow disgraceful for Members to be against Heathrow expansion on the grounds that their constituents were affected. He sought to distinguish me from my colleagues on the basis that I had a high-minded view whereas they had a low-minded view, which seemed to me to be intolerable. It is not taking a low-minded view to say that people's constituents deserve a better quality of life than the one they will get if we go ahead with a third runway at Heathrow. I will not be distinguished from my colleagues in that way simply because I do not have a constituency interest in the matter. I have a very big interest in it, which is the interest of my children and my grandchildren—and unless we bite the bullet and face the fact of what climate change really means, we might as well give up the Climate Change Bill and all the rest of it.

I read carefully what the new Secretary of State for Energy and Climate Change said:

"Only if Britain plays its part will a global deal in Copenhagen to cut emissions be possible, so far from retreating from our objectives, we should reaffirm our resolve."—[*Official Report*, 16 October 2008; Vol. 480, c. 935.]

What does he then do? He goes to Copenhagen and says, "What I want you to do is to follow the British route. We are going to build a new coal-fired power station in Kingsnorth without any kind of carbon capture or sequestration. We are going to expand the airport at Stansted. We have already increased the number of airplanes there. What is more, to show our commitment to the battle against climate change, we are going to have a third runway at Heathrow." What kind of leadership is Britain going to be able to provide in Copenhagen if the Government fail to understand that joined-up thinking is a necessary part of fighting climate change?

The truth of the matter is that we have a real opportunity to set the world on the right course. It is no good wittering on about the fact that this or that country has not done it, so until they do, we are not going to do it. We did not win the battle of the industrial revolution by saying, "We are not going forward with industrialisation until they have."

In the new green revolution, we have to take these decisions for the economic future of our country. I remind the Secretary of State that the quality of life report was written by someone who did not have a constituency reason for writing it and he did so at the point at which the Conservative party took the ideas on board—not for short-term, local constituency reasons, but for the longer-term reason that we cannot cut our emissions by 80 per cent. by 2050 and build a third runway at Heathrow at the same time. We simply cannot do that.

The Secretary of State's problem is simple. He must recognise that there comes a moment in the life of any politician—it is a very frightening moment—when he has to think about how he is going to tell his grandchildren about the decision he made. This right hon. Gentleman is truly a right hon. Gentleman; if he does not have grandchildren, there are many surrogates to help him. He is a right hon. Gentleman and he knows very well that it is not honourable to do in the short term what he knows will destroy the policy of this and any other

[Mr. John Gummer]

future Government of this country in the long term. The building of a third runway at Heathrow will make any possibility of Britain leading the world on climate change absolutely impossible. To suggest that we would replace present capacity by means of a sensibly placed airport somewhere in the estuary is reasonable, but a replacement is what it must be.

People speak with forked tongue, if that is not a unparliamentary phrase, when they say—as my hon. Friend the Member for Spelthorne (Mr. Wilshire) said—that we are not talking about expansion while asking, as he did, for more airport capacity to allow flights to Bangalore, Osaka and other such cities. It cannot be said that this is merely a matter of "tidying up" the airport; the intention is to expand the airport, to allow more flights, to increase emissions, and to make it more difficult for people to live nearby. That is the purpose of this proposal.

What is more, as the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) pointed out, the same arguments will emerge next time. I have been in the House for a long time, and I have heard them all before. I have heard it said that we must have a fourth terminal, we must have a fifth terminal and we must have more capacity, because otherwise Heathrow will collapse, the British economy will collapse, and the world will collapse. That is not true, and the figures have to be fiddled to make that argument appear true. I realise that every time I look at the figures, and I hope that the Secretary of State will be honourable enough to look at them again.

First, a calculation must be made on the basis that the airport is a place where people come in and go out. To make the figures work it is necessary to include both the number coming in and the number going out, but that is not what is actually happening: only one movement is involved. It is possible to halve the percentages, which is supposed to be so important, merely by getting the figures right. Then there is the comparison with rail travel. It is 13 times as sensible to travel to Paris by rail as it is to fly there, but the only way to contradict that statistic is to pretend that no one is on the train and everyone is on the aeroplane. If a full aeroplane of the most efficient kind is compared with a train containing one person in each carriage, it can indeed be proved that the aeroplane is more efficient. That is not a true representation of what is happening, but it is what must be done. The Government stand accused of being prepared to use any figures that are around to prove a case on which they have already decided.

That leads me to the subject of the consultation, and, indeed, to the speech of the Secretary of State. Let me say frankly to him that it is not acceptable to turn to the House and argue that because the Government have met the requirements of 2003—even if they have not—the case has somehow been proved. The case that the Secretary of State must answer is this: how does he explain the expansion of Heathrow in terms of the commitments on climate change that are being considered at this moment in both Houses of Parliament? How does he explain the expansion of Heathrow in terms of what will be the 2009 Copenhagen statement? What will the Secretary of State tell the Secretary of State for Energy and Climate Change that he should say when he goes to Copenhagen? I have written one or two speeches in my time, but I would not like to try to write that speech. What is more, I do not think that he would accept it.

Mr. Hoon: The right hon. Gentleman is a good European. He argues strongly for a European solution to climate change as well as for international agreement, and that is the way in which we will solve the problem that he has set out We will solve it by adopting a consistent approach to aviation and shipping across Europe and internationally.

Mr. Gummer: I am a good European, and I am proud that the answer to these questions is a European answer, but we must take the lead. "After you, Claude" is no policy for a serious Government. I resent the Secretary of State's suggestion that, because I am a passionate European, I am right, in a curious way, to believe that Europe will decide this. What will happen is that countries in Europe will take the lead, and we cannot take the lead—in the way that the Secretary of State for Energy and Climate Change suggested we ought to—if the step that we take is a backward one. We cannot expect Europe to take a common view if we pre-empt that at the outset by expanding Heathrow airport in this way. It is because I am a committed European that I believe that my role in Europe is to lead and not just to follow.

Mark Hunter: I have agreed with virtually every word that the right hon. Gentleman has said so far. He speaks eloquently on behalf of his constituents. I endorse all that he has said about the third runway extension at Heathrow, but what does he think of the proposal for a new London airport in the Thames estuary?

Mr. Gummer: I believe that if it were possible to build a better airport in the Thames estuary to replace the current airport facilities, the proposition would be perfectly reasonable. What is not reasonable, however, is to build a new airport in the Thames estuary to expand the airport facilities that we already have. There are two different arguments, and I am clearly on one side of both of them.

I cannot understand why we do not take seriously the opportunities presented to us. Between a fifth and a quarter of flights out of London airports go to places that are already well served by the train and that get there within the same time scale. Why can we not remove those flights and, if necessary, use their slots for long-haul flights? Why is it still more expensive to land a long-haul flight than a short-haul flight? Why do we not take the issue of railway development seriously, and why have the Government no policy for high-speed rail? Why do we not allow the hypothecation of revenue—that very important issue—so that the present subsidy for aviation can be transferred to the railways? Why do we not have a joined-up transport policy?

I believe that this Secretary of State is capable of changing the face of British transport, but to do that he must stop the Department for Transport doing its usual thing—proceeding with road building until someone says no, and proceeding with airport building until someone says no. He is the man who must say no. In doing so, he will gain the support and, indeed, the admiration of Members on both sides of the House, because he will have stood up for what is right.

8.7 pm

Martin Salter (Reading, West) (Lab): It is a genuine privilege to follow the passionate contribution of the right hon. Member for Suffolk, Coastal (Mr. Gummer),

although he made many of the points that I had intended to make about the credibility, or potential lack of credibility, of the United Kingdom's position at Copenhagen. I strongly endorse what he said about political leadership, and—I say this in as comradely a spirit as possible—I regret the tone of the Secretary of State's opening speech.

This has been an emotional debate, and I think it right and proper for Members to stand up for their constituents' interests in the House, because we are first and foremost constituency Members of Parliament. I pay tribute to the strong contributions from my hon. Friends the Members for Hayes and Harlington (John McDonnell) and for Feltham and Heston (Alan Keen) and, in particular, from the hon. Member for Uxbridge (Mr. Randall). Their constituencies stand to be devastated by the consequences of proceeding with the third Heathrow runway.

I, too, have an emotional attachment to Heathrow. As I said in an intervention earlier, I was born in Bedfont, and many members of my family worked at Heathrow airport. For a number of years I was a cargo handler and union steward at Heathrow, and I know the area well. I know how important the airport is to the local economy; I know how an airport can drive a local economy, and how vital it can be to jobs. I know how much support Labour Members have from many of our colleagues who represent constituents containing regional airports that would have the potential to expand if Heathrow were not seen as the be-all and end-all of British aviation policy.

I also speak as a signatory to early-day motion 2344, and, until I am told otherwise, as vice-chair of the Labour party group on the environment.

Let me deal with the point about political leadership. I think I know where the majority of members of my party stand on this issue. I think I know how proud we all are—with the exception of a few right-wing nutcases on the Opposition Benches—of the letters that we are receiving from members of the public, from members of the World Wildlife Fund and Friends of the Earth, congratulating us on voting through the world's first climate change Bill. We take the advantages, and we take the praise and the plaudits, but we must not abuse that by negating much of the good work that we have done in this Chamber over previous months.

The arguments in favour of a third runway are fundamentally flawed on three counts: the environment, surface access, and the organisation of Heathrow itself. There were clear commitments in the aviation White Paper on surface access and the environmental consequences. I want to read into the record the following passage:

> "To tackle local impacts around airports, the White Paper prescribes a range of measures to be applied nationally and locally. These include new legislation and economic instruments as well as improved technology and stringent planning conditions attached to airport development. The Government's under-pinning objectives are to limit and, where possible, reduce noise impacts over time, to ensure air quality and other environmental standards are met, and to minimise other local environmental impacts."

On surface access, the White Paper stated:

> "Increasing the proportion of passengers who get to airports by public transport can help reduce road congestion and air pollution. We expect airport operators to share this objective, and to demonstrate how they will achieve it in putting forward their proposals for developing new capacity."

Let us consider surface access. I represent a constituency that is some 25 miles from Heathrow airport. I was a member of the Northern Ireland Affairs Committee in the late 1990s, and Committee members regularly caught the 9.05 flight to Belfast. To arrive at Heathrow on time, I would leave my house for what was a 25-minute journey at just before six o'clock in the morning, because that was the only way to beat the gridlock on the M4. Why did I not take public transport? There is a public transport link, I suppose, if I want to travel 60 miles by journeying 40 miles into London and then 20 miles back out again.

The former Minister, my hon. Friend the Member for Glasgow, South (Mr. Harris), talked about Crossrail and the opportunities it provides, but the big flaw with Crossrail is that there is no western rail access into Heathrow. I work closely with the right hon. Member for Maidenhead (Mrs. May) and with the Thames Valley Economic Partnership. It represents the six major corporates in the Thames valley, which is the hub of the dynamic sub-regional economy; 23,500 jobs depend on those six corporates alone, and last year they spent upwards of £12 million on taxi fares running clients backwards and forwards from Heathrow because there is no sensible public transport surface access from the Thames valley. That is complete nonsense.

The White Paper gave the commitment that surface access must improve as a precondition of expanding the airport, but years later there is precious little evidence that we will see anything tangible. Before anyone cites Airtrack in reply, let me say that Airtrack is a slow route, and that it will not deliver what business needs by providing fast, efficient transport into London Heathrow from the west.

John McDonnell: Is my hon. Friend aware that the consultation document gives the figure for additional surface traffic movements as 25 million a year, and that we now believe that that is a severe underestimate of the actual number of additional movements that will be required if there is a third runway?

Martin Salter: I was not aware of the precise figures, but it would be fair to say that millions and millions of pounds are lost to business and the UK economy every day of the year because of gridlock in and around London Heathrow airport. One can only imagine how much worse the situation will get if we increase capacity by up to 50 per cent.

The Secretary of State said we are not hitting European air quality targets now because of traffic and exhaust emissions. That will not wash. If we know that there will be a massive increase in exhaust emissions because of increasing capacity at Heathrow, how much further away will we be from delivering on our 2003 promise to comply with internationally agreed air quality targets? That is why the Government are already looking at a derogation from the 2015 directive.

There are wider issues as well. There was talk of noise. I do not want to get into detailed discussion of the topic, but I remember as a youngster seeing people run screaming into their house when prop-engine planes such as Comets and Viscounts came so low over the roofs that eventually people could not take it any more—they had had enough. Living under a flight path is

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stressful. I am sure that is why I have a loud voice. Irrespective of property prices, we must think about quality of life.

My hon. Friend the Member for Feltham and Heston (Alan Keen) talked about the contribution airport workers have made to the success of Heathrow airport, and that is true, but this is not about just getting a night's sleep. There are probably more workers working shift patterns around Heathrow airport than anywhere else. Any increase in numbers of flights and noise at any time of the day will disadvantage communities and family life and ruin the quality of life for many people.

I have looked at the figures for flights in and out of London Heathrow. The last set I saw showed that about 475,000 flights use Heathrow each year, but some 100,000 are to destinations to which there are alternative means of travel, and about 100,000 are some of the short-haul hops that I suggest are not vital to sustain Heathrow airport as the nub of the sub-regional economy. Therefore, the argument that we need a better, rather than a bigger, Heathrow gains credence from these figures.

Mark Hunter: I have listened carefully to the hon. Gentleman's speech, and I have yet to disagree with a single word. Given the compelling argument he and many other Members have made today, why does he think the Government have set their face so firmly in favour of the third runway at Heathrow? Might they have listened too much to BAA and not enough to the public at large, or does he have another theory?

Martin Salter: I would like to apologise to the House for giving way to that intervention. The Government have clearly made no decision. I am a loyal member of the parliamentary Labour party, and I hold in my hand its briefing. It clearly says—it is the job of Back-Bench MPs to read this into the record—that:

"No decisions on Heathrow have yet been taken",

so Members can proceed with this debate with a degree of confidence. It also says:

"Since the 2003 Air Transport White Paper, the Government has been clear that it supports the economic case for a third runway at Heathrow, subject to being confident of meeting strict local environmental conditions on noise, air quality and surface access."

There is a way for the Government to get off this hook by which they do not have to cede the economic argument—which does exist, and I have not attempted to take it apart today—about the importance of Heathrow and the need for it to expand. Their previous statements made it clear that the environmental and access considerations would be paramount. Those preconditions have not been met. We also know that technology is advancing—BAA makes that case—and there may well come a point when air travel is not so environmentally damaging and does not produce as many emissions as at present. As technology advances and aircraft are manufactured that are capable of carrying more people around with fewer flight movements and less disruption, there may be a case for a third runway at some point in the future.

At this stage, however, why does the Secretary of State not sign up to the following three simple principles? First, there will be no expansion of Heathrow airport and no third runway without a vote in this House. Secondly, until we are able to take advantage of advancing technology to address the emissions issues, there will be no decision on a third runway. Thirdly, will the Secretary of State stick to the promise that was solemnly made in the 2003 aviation White Paper that until we resolve the all-important and overarching environmental issues, we will not proceed with a third runway at London Heathrow airport?

8.19 pm

Mr. Nick Hurd (Ruislip-Northwood) (Con): I am the third Hillingdon MP to speak. My constituents are not being thrown out of their homes and they are not losing their churches, schools and cemeteries, but Hillingdon speaks with one voice on this issue. My constituents' quality of life will be affected, by the new flight path and by an increase in traffic on the roads—but stronger than that is the real sense that Heathrow is big enough and that the social and environmental costs are too great to proceed. A voice says, "We were told that terminal 5 was the end of it. That was a lie, so why should we believe anything else that is said by this Government or by anyone involved with this process?" The message from Hillingdon is that enough is enough.

That is the local view, and I make no apology for stating it, but, as the hon. Member for Hayes and Harlington (John McDonnell) also acknowledged in his brilliant speech, there is a big national decision to be taken. The Secretary of State drew himself up to his full height at the Dispatch Box and talked about a long-term strategic decision—what a way to go about it. What a shambolic process. If this is how we take long-term strategic decisions, shame on us. This decision is rooted in an out-of-date White Paper—life has moved on a long way since then—and in a consultation document that was condemned by my hon. Friend the Member for Uxbridge (Mr. Randall), who is also my neighbour, as a dodgy dossier with no credibility, and it all stands and rests on a business case that the Government are not even prepared to make or to commission. The work is being done by outside bodies, financed by the industry, and the best that they can come up with is that there will be, at present value, benefits of about £5 billion over 70 years. In this process, which has been so badly managed by the Department for Transport, the Government have left themselves open to accusations of collusion with BAA plc. It has got that bad. What a shambolic process. That is no way to make a long-term strategic decision of this importance.

The Secretary of State is right to say that there is a capacity issue at Heathrow to address, and we have reached crunch time for a decision on it. We must decide whether to adopt the predict and provide approach to accommodate demand. He says that that is not what the Government are doing. We are now told, because the Labour briefing to Back Benchers says so, that no decision has been taken: you could have fooled me! It feels very much as though this Government have taken a decision and have subscribed to the myth that a nation's status is judged by the size of its airport, so we are condemned to continue playing a game of "My airport's bigger than yours".

Mr. Gummer: Not only that, but the Government are excusing what they are doing by saying that doing it makes us good Europeans. That is the really depressing thing.

Mr. Hurd: It has been a depressing afternoon, and not solely for that reason.

The Government appear to have made their mind up, despite evidence that the social cost will be enormous in Hillingdon, in Hayes and Harlington and across west London. Their sensitivity to this issue is reflected in the fact that although they pride themselves in carrying out the most "comprehensive" consultation—I think that was the adjective used by the Secretary of State—we are yet to be given an assessment of the health impact, which is probably one of the biggest issues for my constituents, and an equality assessment, which is also important. A health impact assessment is not considered important enough to be in the mix to help us with this decision and this debate

The environmental cost has been touched on late in the debate, and I wish to say a word about it. Although we take pride in the process of the Climate Change Bill, in which I was heavily engaged, we remain in the business of setting and monitoring targets, and the mechanics of all that. It is time for an "emperor's new clothes" moment, because we are failing and our emissions are rising. We are failing not only in this country, but across Europe. We have raised the bar to 80 per cent on emissions, but in the context of failure, we must acknowledge that the transport sector is the most stubborn one, and that within it, aviation is the fastest-growing source of emissions.

The problem is that we will not get help from technology. Whereas we can just about see that car technology is on the brink of major change and that our children and grandchildren will drive something very different, fuelled by something very different, from what we drive, aviation is not the same, because we cannot see an alternative to kerosene. The fact that stock takes 20 years to pass through the system means that no technological solution is in sight, which gives us big policy challenges in managing this problem and in the degree to which we are prepared to manage demand. The Government have done really well on climate change on so many levels, but there has been a failure in their response in this area, because they are prepared to place just one chip on the table—emissions trading. That is so despite the evidence, which suggests that emissions trading, for the time that we have had it, has improved the mechanics of the process, but has been a failure in doing what it is meant to do, which is to reduce emissions. It has been a failure because there is so much political risk in the process; it is a haggle and a negotiation. It is a cap-and-trade scheme that is only as good as the cap, and that is the function of a political process.

For the Secretary of State to say that things are going to be all right because the emissions trading scheme will sort them all out is not good enough. The Commission has set out its stall on the parameters and the kind of cap that it is imagining. It is quite demanding and there will be costs to consumers, but you can bet your bottom dollar that the industry will pass them on to our constituents. The price of flying will rise, as will the price of carbon credits, because aviation will start trying to buy them in the market, and that will have implications for other industries. The point is that the negotiation process has not even started yet. The mother of all lobbies is about to be unleashed and it will take real political courage, which I do not see evident either here or on the continent, to assure us that the cap will be set at a meaningful level to help genuinely curb the growth in aviation emissions.

The Government can slap themselves on the back for everything that they have done on climate change, and they can talk about how they are prepared to consider aviation within the targets, but it counts for nothing in the minds of our constituents when set against the decision to give a green light to the fastest-growing source of emissions. People simply do not understand that decision, and it makes a mockery of the whole climate change strategy.

In that context, there needs to be a fantastic, overwhelming business case for taking such a decision—but there is not one. The case being made is pathetic. Even the advocates put forward only a small number of benefits, and the Government have not even bothered to do their own work. We hear long lectures about the importance of the hub model, without any reflection about whether that is the economic model that will survive for the next 10 or 15 years. My constituents do not understand what the national economic benefit is of a passenger arriving and then sitting in Heathrow airport waiting to catch another plane—although they can see the benefits to BAA. We are given a long solemn list of destinations that have been cancelled, but what my constituents and I are saying is, "Help us to understand just how important it is." Where is the Government modelling to help us understand the erosion of the hub and when it will bite in terms of affecting our competitiveness? Again, there has been silence, and no evidence has been provided.

One thing that does matter in terms of the economic case is foreign direct investment, and whether companies will change decisions about whether to relocate in the UK in the light of the capacity of Heathrow. What matters is whether they will relocate because they cannot fly to where they want—but where is the evidence to suggest that that is happening? Other airports on the continent have grown during a period of fantastic prosperity for London, so where is the evidence that we face an abyss in terms of this business risk? We all know that the airport is not the only factor in business decisions. Many other factors shape business attitudes towards staying or locating in London, such as the tax environment, the regulatory environment and the quality of life. It is ironic, but many business executives are thinking about relocating their business because of the impact of noise pollution from Heathrow, let alone concerns about where they can or cannot fly.

The voice of business that I hear does not say, "I can't get to where I want to go." It says, "Heathrow is a terrible airport, with an awful passenger experience." People want a better airport, not necessarily a bigger airport. In the light of that, we are forced to conclude that the Government's decision is rooted in the worst possible reasons, and is politically motivated. We can be confident in that judgment, because we had the most ridiculous political and partisan speech from the Secretary of State, which did neither his Department nor himself any credit. The decision is based on inadequate data, a discredited consultation process and a tremendous insensitivity to the reality of the climate change agenda, and it drives another nail into the coffin of public trust in our public institutions and the way in which we are governed. We have to be able to do better. I wholly support the call from the hon. Member for Hayes and Harlington to step back and rethink.

8.29 pm

Graham Stringer (Manchester, Blackley) (Lab): I am glad that I have sat through this debate, if only to listen to the right hon. Member for Suffolk, Coastal (Mr. Gummer), who made a clear and rhetorical speech. It often helps to listen to a speech of such clarity, so as to realise why its arguments are wrong. What the right hon. Gentleman was really saying was that building a third runway at Heathrow would be the end of this Government's commitment to the environment, and of our leadership in Europe. It was a millennial speech. But he makes that argument in the context of hubs all over Europe—not just the ones that have been mentioned, such as Charles de Gaulle, Frankfurt and Schiphol, but Madrid, Copenhagen and others—increasing their capacity. Such contentions are absurd when viewed in that broader context.

Mr. Gummer: What is absurd in saying that if we want to change the world, we should start by changing ourselves? If we do not want to change the world, we can do what everyone else is doing. That is not an absurdity: it is the lesson of history.

Graham Stringer: The right hon. Gentleman makes his point clearly. What is absurd is saying that if we make this decision, this country will lose its leadership in Europe and environmental catastrophe will ensue.

I come to this debate from the north of England, and I have supported Manchester and other regional airports over the years. It is an odd position for me to be supporting investment in London. The Olympics will not be good for the regions and they will receive no benefit from Crossrail—I could go on. However, this country would be making a mistake if we did not expand Heathrow.

People who take a different position on this issue ask—reasonably—where the evidence is. My right hon. Friend the Secretary of State mentioned the 30 or so destinations that have been lost, and they are important not only for the straightforward economic benefit that has been lost, but because if we do not have the connections to Osaka or to emerging economies in China, India or even Vietnam, it is unlikely that investment from those countries will come into this country. It will be a real problem if those routes are lost for ever.

My right hon. Friend the Member for Cynon Valley (Ann Clwyd) made the reasonable point that capacity exists throughout the regional airports. If we used all that capacity, we could have 10 times as many planes coming into this country. In theory, we could replace the routes that are duplicated at Heathrow, but that is not the economic reality. This Government and the previous Government—and the European Union—have increasingly liberalised the skies, so no one can tell planes where to land. They will go wherever they want, and there are fewer bilateral agreements all the time. It simply is not possible to say that too many flights from New York go to Heathrow, and to send five to Manchester, three to Birmingham and two to Glasgow. There is no power, either in this country or in the European Union, to do that.

Adam Afriyie: I admire the hon. Gentleman's passion and his belief that we could fall behind in the world if we do not expand Heathrow. However, it is just a belief, an assertion without evidence. This is such an important decision that the Government should produce clear evidence, and not rely on such assertions.

Graham Stringer: The hon. Gentleman asks for evidence. I shall give him a piece of what I believe to be evidence that has not been mentioned in this debate so far. Let us consider the air freight industry, and the two great world integrators of that industry—FedEx and DHL. Where are their European hubs? They are at Brussels and Charles de Gaulle. We have missed that opportunity; those jobs have gone. Businesses that want to locate next to an integrator, because they need just-in-time, high-value widgets, have gone. Those hubs, and the jobs and relocations that go with them, have disappeared. We will not get them back. I hope that the hon. Gentleman finds that adequate evidence.

The other points that I want to make come from my experience of representing the majority shareholder in Manchester airport and chairing the board at Manchester airport when it built the only extra runway that has been built in this country since the second world war. The hon. Member for Rochford and Southend, East (James Duddridge) looks surprised, but that is true.

I do not blame any of my hon. Friends or any other hon. Member for doing their best to represent their constituents' interests when their lives will be affected by the building of a runway. That is the proper job of a Member of Parliament. However, when we talked to people and carried out opinion polls, we found that even in the village that would be most badly affected by the second runway—Styal, in the second most affluent county in the country, Cheshire—there was majority support for the proposal. There were many headlines against it, but it had majority support. We were able to satisfy many of the environmental criteria.

There is a detailed argument, which is often about cash. One of the people whose house was going to be affected by the second runway at Manchester fought the hardest battle. Her grandson was a barrister. At the end of the day, it came down to cash, and that barrister, who had fought a hard fight, went to work for British Airways, on the other side.

Mr. Leech: Will the hon. Gentleman give way?

Graham Stringer: No, I have given way twice.

That is the detailed side of the argument, and there has to be a debate about those issues. My hon. Friend the Member for Hayes and Harlington (John McDonnell) said that this had become an iconic issue. I agree. It is iconic: it is symbolic of the role of aviation in the economy and the environment.

The aviation industry makes a relatively small contribution to global warming. The figures given vary between 2, 3, 4 and 6 per cent., so it is increasing, and it is said that it will reach a certain level in 50 years' time. I do not trust any politician—because I have yet to meet a politician who can do differential equations—who talks about rates of change over a 42-year period. That is another absurdity. People say, "This will happen." And yet when it comes to the economy, we do not know what will happen next week.

Aviation has become symbolic because of the way in which it is modern. We do not see the same level of savage attacks on the contribution to global warming made by the computers and services that are necessary

to make the internet work. Those factors make a huge contribution to it, but we do not talk about them. I talked to the people who opposed the second runway in Manchester on many occasions, and when we went through all the improvements to the environment and all the damage that the 2 miles of concrete would do, I came to the conclusion that we were having a symbolic debate about the future of society in which it was not possible to convince people that aviation and modern technology was the way forward. I hope that my right hon. Friend the Secretary of State will bear that in mind.

I do not think that the alternatives that have been proposed are realistic. Let us take as an example the proposal to build an airport out on the Thames estuary, with all the extra infrastructure and costs that that would require. My guess is that even without the airport, changing the roads, the railway tracks and the access routes would make a much greater contribution to global warming and greenhouse gases than anything else in the package. It took 25 years to build the new Munich airport, at a time when environmental standards were less stringent. Quite simply, the Thames estuary airport is not going to happen. It is on the agenda only because it was the Mayor of London who decided Opposition policy—in the interests not of the country, or even of the Conservative party, but because he wanted votes in west London so that he would win the mayoral election. It was as simple as that, and the Conservative party should be ashamed of itself for allowing its policy to be tweaked like that during the mayoral election.

I shall finish by making two points. Some people say that we cannot meet our climate change objectives but, even though such things are very difficult to predict, restricting Heathrow expansion is not the same as restricting emissions. We will merely be exporting them, just as we will be exporting jobs, and those emissions will come instead from Copenhagen, Schiphol or somewhere else. We will not make a contribution to the environment in that way.

I shall conclude by stating that I agree with some of my hon. Friends that we should not be in this position. It is absolutely extraordinary that only one new runway has been built in this country over the past 60 years or so, and we are suffering as a result. The Department for Transport, under different Governments, has seen BA and BAA as clients, even after privatisation. Because of that, it has not looked after the country's interest; instead, it has been advising those companies and looking after their interests. That is why complaints that I consider to be completely reasonable have been made about the commitments that have been made to the effect that there would be no third runway or fifth terminal.

Those commitments were wrong. If this country is to make its way in the world economically, it needs a hub airport. I wish that that airport could be in Manchester, but it can really only be in west London. The hub is not going to be transferred. Had the people who planned it known what was going to happen in the 60 years since it was built, they would not have put it where they did, but it is where it is, this country needs it—and needs it to expand.

8.42 pm

Justine Greening (Putney) (Con): Today's debate is not just about the future of Heathrow airport—whether it should get a third runway or whether we should introduce mixed mode—because we are talking about a judgment that will have a real and profound consequence for millions of Londoners. On Ministers' judgment will depend Londoners' day-to-day quality of life and, for some, even their health. I believe that people have a right to expect a reasonable quality of life, and that it is the Government's duty to respect that right and to protect public health.

The Government have given the House the fantastical assurance that adding an airport the size of Gatwick on to Heathrow will somehow make it less noisy and polluting. Ministers assure us that Heathrow is a hub and that London's economy will be irrevocably damaged and threatened without expansion. However, neither case has been made, and I believe that Ministers are about to take a deeply reckless decision for whose consequences they will never be held personally accountable.

Right at the beginning, the Government set important tests in the White Paper on noise and, in particular, on air quality. They assured people that they would "bear down" on noise and meet EU air pollution limits but, as we have heard, on air pollution the simple fact is that the UK is already set to breach the EU's 2010 mandatory limits on NOx levels, and that is even before any extra flights are added.

This afternoon, the Secretary of State admitted that our country will have to apply for a three or five-year derogation when it comes to meeting the EU pollution limits. How on earth, then, can the Government consider expanding Heathrow, given that that would mean an even greater rise in NOx emissions? It simply defies common sense—nearly as much as do the fantasy planes that my hon. Friend the Member for Chipping Barnet (Mrs. Villiers) mentioned and which have been included in some of the modelling that the Department for Transport claims proves that the proposal to expand Heathrow is possible.

Suspension of disbelief seems to be a common thread in the Government's attitude to the environmental case for expanding Heathrow. Let us take the subject of noise. The "Attitudes to Noise from Aviation Sources in England" report, compiled by experts and commissioned by the Government, which took six years to complete, said that people were more sensitive to noise now than in the past, which undermines the historical 57 dB limit used by the Government. The Government simply ignored that report.

My constituents will lose the half-day respite from aircraft noise that they so value. It is a crucial balance that all previous Governments have appreciated, yet the value of that half day does not feature anywhere in the economic case that the Government considered. All-day flights will make life in parts of London intolerable. Families and many other residents will simply want to leave.

The increased pollution will come not just from more planes in the sky, but from more cars on the road—a lot more cars. The expanded Heathrow will handle more than 60 million more passengers. That will mean around 40 million more people travelling to and from the airport, the majority of whom will be on the roads. As we have heard, that raises the nightmarish prospect of a serious deterioration in air quality, with major health implications, chaos on London's roads, and a gridlocked M4 that will grind to a halt more often than it already does. West London businesses and residents will face

[Justine Greening]

traffic hell. More planes, more cars, more pollution, more noise, a ruined quality of life—the environmental case for expansion simply does not stack up, and neither does the economic case.

As we have heard, the Government's own figures say that the net present value of the economic benefit is £5 billion. That includes £3 billion of extra air passenger duty, but we would be hard pressed to find anyone in finance who would say that tax should be counted as an economic benefit. Of course, if we included the full costs of the extra missing emissions for CO_2, it would add an extra £5 billion cost, which would give the project a negative net present value; we all know that that is the reality.

Of course, all the so-called key evidence on adding capacity has been generated by the Department for Transport and BAA, which, unlike the rest of us, seems to have had unfettered access to the process. I am afraid that throughout that process, Ministers have not been frank with Members of this House or with the public about the information that they have looked at, on which they based their decisions. When I have tried to get information, whether through parliamentary questions or freedom of information requests, so that we could have a level playing field, at every stage I have met resistance. I have made freedom of information requests to which it has taken seven months to get an initial substantive response.

I was not the only one who was denied access to information. The Environment Agency was given no access to the detailed fact base that the Department for Transport had considered, so it is no wonder that the Environment Agency reached the chilling conclusion that there was a risk of increased morbidity and mortality if the Government went ahead with this reckless plan. Even the Department for Environment, Food and Rural Affairs was kept out of the loop when it came to the environment. The DFT compiled its own assessment of the risk of expansion, called the risk register, yet when I met the Secretary of State for Environment, Food and Rural Affairs, he was blissfully unaware of the existence of the document, let alone its contents.

The risk register states that the risk of pollution mitigation measures failing to meet air quality targets is high, but did Ministers make sure that DEFRA was aware of that? No. Did Ministers make sure that that "high risk" assessment, made back in October, got into the public consultation document, so that the public and businesses were aware of the risk assessment and the dangers? No. We should put that "high risk" assessment of pollution mitigation measures failing into context: the same team that assessed that risk as high also considered the risk of terminal 5 being a botch job, leading to reputational damage. I am sure that hon. Members will be amazed to hear that the risk attached to that was low. Of course, we all know what actually happened. The Government have shown that they did not foresee the risk of national disgrace and embarrassment in the case of terminal 5, yet we are about to walk headlong into another disgraceful risk. However, the outcomes could be far worse, and irreversible.

Concealing information and ignoring risks are all just part of the Government's consistently disingenuous attitude towards engaging with the public. That has pervaded all levels of the consultation process. At every stage of the modelling process, the Government's approach can best be described as "How can we fix the data to support our policy, and how can we twist the facts to get the result we want?"

Let me give the House a couple of examples of the discussion. On tackling air pollution, a DFT airmail on 28 March 2007 summarised the conclusions of a departmental meeting:

"Moving the source"—

the pollution—

"away from the receptor is the most effective mitigation".

In other words, let us just have the pollution, but nowhere near places where it can be monitored.

A Heathrow project board meeting minute of 16 April 2007 noted:

"It was clear that moving NOx away from areas of exceedence was the most effective mitigation".

Translation: "Don't worry about reducing pollution—just move it away from measuring equipment, and spread it out a bit so that it doesn't show up too much." Most compellingly, an e-mail from the DFT on 10 August 2007 hit the nail on the head:

"It looked like a hunt for a model—any model"

that would give a green light. That is self-explanatory. It was never a hunt for the reality of what Heathrow expansion would do to the environment—that never entered the Government's thinking—but a hunt for a model to get the right answer. One team member was reported as saying:

"It was a classic case of reverse engineering—it was awful."

I agree.

Adam Afriyie: Why does my hon. Friend think that Ministers and the Secretary of State are not standing up to challenge any of the facts she is presenting?

Justine Greening: I have given up wondering why Ministers take the approach that they do. It is clear that there is no substance to their case, yet they pursue it. I have long since stopped wondering why they have gone down such a reckless route. Given the serious health and environmental impacts at stake, I find their attitude to the situation disgraceful. How can we trust Ministers who said that Heathrow expansion was sustainable, when we have seen the tactics they use and the evidence they have ignored in reaching their conclusions. The fact is that Heathrow expansion will leave many Londoners facing a toxic combination: more planes making more noise, causing more pollution, more cars clogging the roads, reducing air quality, and a public health risk that the Environment Agency says could lead to increased morbidity and mortality rates around the airport.

Every day, I receive letters from constituents who are concerned about Heathrow expansion. They are worried and, as a resident who lives in Putney, I am worried. They believe that if we have all-day flights on a third runway, our part of London will become a place where families no longer want to bring up their children, and where people simply do not want to live. The noise will be so intolerable that I predict it will make people ill with its relentlessness. For my constituents, there will be no respite from aircraft noise ever again. It will be perpetual.

In conclusion, the reality is that, economically, there are better alternatives to expansion. The economic benefits have been vastly overstated. Environmentally, expansion means more emissions and noise, and greater risks to health, not to mention safety. The Government are isolated on this issue, and Ministers must ask themselves what is more important—saving face and sticking with a bad decision, or having the courage to admit that this is wrong, and change course. It is time to listen to the 70,000 people, including my constituents, who responded with their grave concerns to the consultations. As far as they are concerned, with Heathrow, enough is enough.

8.53 pm

Mr. Robert Marshall-Andrews (Medway) (Lab): The great Paul Theroux begins one of his finest travel books by saying that it is

"no coincidence that none of the 650 major languages and dialects contains a sentence, phrase or clause that even approximates to the words, 'as pretty as an airport.'"

That is particularly true of urban airports, of which Heathrow might be advanced as an exemplar. They are paradoxes, and they destroy lives, as we have just heard eloquently expressed, but they provide livelihoods, so nobody should approach the issue in a cavalier way and without considering balance. But, having considered balance, I must say that there is not the slightest doubt that this proposal for Heathrow should be opposed in this Chamber, implacably opposed outside this Chamber, will, I predict, be voted on in this Chamber, which is a point that I shall come to in a moment, and will be defeated in this Chamber. All those processes should be gone through.

I should like to set out three simple premises. They have been mentioned before, and I regret that there will be repetition, but it is worth repeating these things—three simple premises that seem to me to be immutable. First, of course, Heathrow is in the wrong place. In 1946, the last Lancaster flew out of the site and the first converted Lancaster bringing passengers flew into the site, where they disembarked and sat in tents in armchairs, no doubt sipping glasses of champagne and smoking cigarettes through long, elegant holders. If one had said to those first passengers, "Do you know that from this site in barely half a century's time, we are proposing to fly 700,000 flights a year?", they would have looked around at the villages and said, "You are stark mad." But, of course, the madness persisted, and it persisted because of an irresistible and, apparently, irreversible process.

The process was very simple: every expansion of Heathrow was used to reinforce the idea that Heathrow was indispensable. And that indispensability became the basis for every subsequent application and demand for expansion, so the process became circular, and it became never-ending. It is never-ending, and the villages in the constituency of my good and hon. Friend the Member for Hayes and Harlington (John McDonnell) will be the first to go. But the truth is that nowhere is safe. I have a mental vision of Her Majesty herself standing on the battlements of Windsor castle, looking with angst-stricken eyes as the first bulldozers appear on the far side of Windsor Great park. Indeed, for those who know it, the royal ride through the centre of the park would make a splendid runway—apart from the statue of George III in the middle of it, which would have to be ritually removed.

Adam Afriyie: Will the hon. and learned Gentleman give way?

Mr. Marshall-Andrews: Of course. The hon. Gentleman is going to say that it is not George III.

Adam Afriyie: At a public meeting in my youth, before I came to this place as the Member for Windsor, I was asked what I was going to do about the third runway, and I said, "They will build that runway over my dead body." I hope that that will not be the case, and that today we will win through with the comments that the hon. and learned Gentleman makes.

Mr. Marshall-Andrews: Absolutely. Heathrow is, of course, a curse and, in some ways, a blessing for those who live around it. Those who have lived around it—I declare an interest, because I have, to a greater or lesser extent, for 40 years, so I know about it—have come over the years to a sort of melioration, a sort of understanding, with the airport. It is based on certain concessions that have been made over the years. The Cranford agreement is one of them, but immensely important as well is the alternation of the runways. A failure to alternate runways will simply be the breaking of a bargain that has existed with Heathrow's neighbours for half a century, and it will change beyond repair the lives, and the dimension of the lives, of children and other people living in that area. The Government need to get on board, because raw anger will manifest not among a few privileged people but among 2 million people in London who will be exposed to that blight.

The second premise that I wish to place before the House is a very simple one. In this day and age of climate change and the desperate fight to preserve our environment, it is a very simple premise: the days have long gone when we can destroy and despoil our environment to create a non-essential improvement in human lifestyle. Of course, there can be essential improvements in lifestyle; as we all know, they exist in the third world. In such circumstances, some compromise with the environment may be necessary, but not here—not to enhance the lifestyles of people, frequently mentioned by the Secretary of State, who travel to visit their relatives. That is not a reason for the kind of damage being contemplated.

As has been said, the Government are now in an extraordinary position. Two weeks ago, the Secretary of State for Energy and Climate Change came to the House and, amid justified adulation and approval, gave the best and most outstanding undertakings on the environment in the world. Two weeks later, his Cabinet colleague, the Secretary of State for Transport, has come to the House and wrecked them. We are told that there is division in the Cabinet—such information must be highly unreliable of course, because, as we know, the Cabinet is a leak-proof zone. However, we are told that there are deep Cabinet divisions on this issue. That is hardly surprising: when one Secretary of State wrecks another's policy, there will be such division from time to time. Let us hope that it is resolved sensibly and properly.

The third premise is the myth of demand and the idea that it should be assuaged in these circumstances. That demand is not atavistic or fundamental—it does not relate to food, drink or even the desire to procreate. It is based on the preference of people who wish to fly. That is all. Manifestly, that demand can be managed and

[Mr. Marshall-Andrews]

controlled. It is, to use a word employed by George Soros in relation to the economy, a "reflexive" demand—that is, it increases according to the capacity used to feed it, and it will recede as that capacity goes away. Such demand must be addressed, but it must also be sensibly managed. One citizen must understand that their right to fly is not immutable, and cannot be predicated on the destruction of other people's lifestyles.

Finally, I turn to Cliffe airport, which was to have been in my constituency. It was one of the potential airports in the White Paper and the consultation. Let me say this: Cliffe was never a sensible option, and it was never thought to be. I shall say how I know that. We all thought it all the time, but immediately after the consultation the former Prime Minister, Mr. Tony Blair, came to my constituency and helpfully said so. It was never a sensible or real option. It began to look like a real option only for a moment on one occasion. That was when I was talking to the former Prime Minister about the subject at the beginning of the consultation, and told him that even putting Cliffe in as a proposal would make it likely that we would lose my parliamentary seat. For a moment, I saw a thought flash across his mind as he contemplated virtues that he had not previously seen.

There will be a vote on this issue; the Government will not avoid that. This place is not so enfeebled or lacking in creativity that we cannot find the means to have a vote, and we will have it. I say to the Secretary of State that when that vote comes, the Government will lose it—and with it, their new-found and deserved reputation for environmental custody. That will be terrible, not only because of the loss of that reputation, but in electoral terms. I hope that the Secretary of State and the Government will take that on board.

9.4 pm

Mr. Greg Hands (Hammersmith and Fulham) (Con): It is a great pleasure to take part in this debate. We have heard some high-quality contributions in which the common factor, in almost every case, has been opposition to the expansion of Heathrow; in fact, I have heard only one Back-Bench speech in favour. I agree with the hon. and learned Member for Medway (Mr. Marshall-Andrews)—if there were a vote on the proposal, I would very much expect it to be defeated.

I have always been a pragmatist as regards Heathrow. I am not necessarily opposed to its expansion, but I would always look to see whether the net overall effect on the environment was neutral or positive before supporting that proposal. I used to be an admirer of BAA. In the early 1990s, I used to fly an awful lot, transatlantically and domestically within the United States, and I was always impressed by how BAA managed its airports and its customers. Regrettably, those days are long gone. For me, the fading gold and black graphics in BAA airports sum up what has happened to the company: it has not really achieved anything since its heyday in the early '90s.

Heathrow brings some benefits to my constituency—I have met quite a few constituents who work at the airport; my constituents use it a great deal for the purposes of air travel; and one of the reasons Hammersmith and Fulham has been attractive to businesses over the years is its location between Heathrow airport and central London. Nevertheless, the airport has become a major issue in my constituency, but I try to approach the whole question rationally. However, having considered all the benefits and disbenefits, I have come to believe that, on balance, the current set of proposals is most detrimental to my constituency.

My local council is awaiting the result of the official consultation, but it decided to send out its own consultation document. So far, some 4,000 residents have responded. Incredibly, 93 per cent. of those responses are against expansion. Only 6 per cent. are in favour, with a mere 1 per cent. undecided. I praise my local council, which had a change of policy when the Conservatives took over in 2006. It joined the 2M group and became very active in campaigning against Heathrow expansion.

The proposals would have seven main effects on my constituency: extra flights, new flight paths overhead, noise pollution, air pollution, safety implications, night flights and the impact of a larger Heathrow on public and private transport in west London. On extra flights, the case has already been made. There is talk of an increase to 480,000 or 500,000, or perhaps to 700,000.

On new flight paths, in Fulham, where both flight paths go over, the loss of runway alternation on the two existing runways would mean aircraft coming in overhead for a much longer part of the day, as there would be no changeover at 3 pm. Aircraft could join the new approach flight path for the third runway over Fulham. Because of the reduced length of the third runway, it is likely that most of the bigger, noisier planes would come in over Fulham using the existing full-length runways. In Hammersmith, which is not currently directly under either flight path, the approach to the third runway would add hugely to noise there, with perhaps an aircraft every 90 seconds or so. That would impact on people who generally are not directly affected by aircraft noise. The ending of runway alternation together with the addition of the third runway, or even their separate use, would be a total disaster for my constituents. Families living below would endure noise for 18 hours a day rather than nine, as at present.

On noise pollution, an estimated 1 million people live, work and go to school in west London and the Heathrow area, and they are already exposed to noise levels that are above the limits for annoyance laid down by the World Health Organisation. Research shows that noise pollution from planes dominates areas up to 13 miles away from Heathrow, which would include Hammersmith and Fulham.

We have already heard that Government are in breach of the air quality laws and have been threatened with fines by the European Commission. Indeed, there was an article in today's edition of the *Evening Standard* about the Commission becoming active and interested in the subject again.

I am genuinely worried for my children, and my constituents' children, who have to live in an environment where the air quality is as poor as it is in London. London has the highest annual average level of nitrogen dioxide of any capital city, not only in western Europe, but eastern Europe as well. An increase in air movement would inevitably be disastrous for our air quality.

The Government say that extra aircraft and road traffic will not necessarily prevent them from meeting their air quality targets around the airport. But that is because they have assumed that a new generation of

aircraft will be cleaner than those currently flying and that road vehicles will be far less polluting. If technological improvements in engine design and fuels are not as successful as the Government hope, pollution levels will be higher in the immediate vicinity of the airport, and further afield, including in Hammersmith and Fulham. If the Government are wrong, the health and life expectancy of people all over west London will suffer.

Heathrow has a very good safety record, but increasing the number of take-offs and landings over such densely populated areas can only increase the risk of a serious accident, especially when London already has some of the most complex airspace in the world. It is a bizarre system that has thousands of planes flying directly over this country's largest conurbation and some of its most densely populated areas.

The issue of night flights is ongoing, despite the Government having agreed to extend the cap until 2012. My hon. Friend the Member for Putney (Justine Greening) and I had a meeting with British Airways a couple of years ago, where it tried to explain why it needed night flights. It all related to the convenience of passengers, particularly those boarding planes in places such as Hong Kong and Singapore, who had to board a plane before midnight. If they could not arrive at 4, 5 or 6 am, they would have to arrive at 7 or 8 am, which would mean boarding a plane in Singapore or Hong Kong after midnight. That is clearly an inconvenience, but we are talking about having a sense of balance and proportion. We have to weigh up the convenience of those few hundred thousand passengers who board planes in Hong Kong or Singapore against the convenience of the millions of people under flight paths in west London or places such as Windsor. The Government have got it entirely wrong.

On public and private transport in west London, it seems incredible that the Government might be proposing an increase in capacity at Heathrow without considering an increase in capacity in our public transport links. Earlier this year, I had a meeting with the managers of the Piccadilly line in which I tried to lobby them to have the line stop at Ravenscourt Park and/or Stamford Brook in my constituency. I was persuaded that there was a strong argument against my proposal, partly because of capacity on the Piccadilly line, the usage of which has gone up enormously since the millennium—about a 50 per cent. increase, with the line now running at 97 per cent. of capacity. That has occurred despite the introduction of the Heathrow Express, which might have been expected to relieve the Piccadilly line to some extent. We have to do something about public and private transport provision because there will be a detrimental impact on the working lives of my constituents who are trying to board the Piccadilly line if it is already full. I represent more tube passengers than any other Member of Parliament.

Finally, on some of the solutions, I agree with the approach of considering high-speed rail. Every year or so I buy the "Thomas Cook European Railway Timetable". That is not because I am a trainspotter, but because I genuinely love going by rail. Every year I see in the map at the front of the book the expanding network of high-speed rail lines going through other countries, such as France, Spain and Germany. High-speed rail is very much the future for this country. I commend our policy on that, and I am very much opposed to the proposals on Heathrow expansion.

9.14 pm

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): To revert to an earlier theme, I am not embarrassed to represent my constituents on the matter that we are discussing. Indeed, I would be embarrassed not to do so. More than 1,000 of my constituents in W4 attended a meeting in Chiswick earlier this year to protest as part of the consultation, and more than 800 of my current and prospective constituents in W12 and W6 attended a meeting at Hammersmith town hall, at which I spoke.

I have received literally thousands of e-mails and letters on the subject and I cannot recall one of them being in favour of the expansion of Heathrow—and, with the exception of correspondence from the Mayor of London, I cannot recall one of them calling for the closure of Heathrow. Although those people are angry, their requests are reasonable and I hope that the Government will listen to them. They essentially ask the Government to think again about the proposal to expand Heathrow and, before making a decision, to reconsider the out-of-date and unreliable information on which they currently propose to act.

As for the Government, little appears to have changed since the 2003 White Paper on the subject, yet, on the ground, almost everything has changed. Environmental concerns and policy, and planning policy have changed, the ownership of the London airports is in the process of changing and, thanks to the Competition Commission report, the BAA monopoly will be broken. Not only the economic climate, but the challenges to the economic case for Heathrow expansion have changed. Politics has also changed. By that, I do not simply mean the Conservative party's volte face, which, although welcome as far as it goes, is expressed in shallow and rather questionable terms. Like my hon. Friend the Member for Hayes and Harlington (John McDonnell), I mean the absolute groundswell across not only west London but a much wider area, and a coalition of interest that has not been seen previously, which challenges Government policy on the matter.

Given the time available, I hope that I shall not repeat points that have already been made, but I will make a couple of points about the harm that the proposal would cause my constituents and others in west London. A good article in *The Economist* last week stated that,

"Heathrow makes more people miserable than just about any other big developed-country airport."

That is true not just because of air quality and noise, which have been covered at length. Thousands of people in Chiswick, Hammersmith and Shepherd's Bush have not experienced those problems to a great extent, but will suffer from them significantly and continually if the third runway is built.

The Piccadilly line has been mentioned. I recently had a meeting with London Underground, after it wrote to me about reconfiguring its services on the Piccadilly line. We all know what that means. As it explained to me, it means longer gaps between trains to fulfil timetable commitments. On interrogation, it became clear that that is partly due to the current expansion of Heathrow—too many people already use the Piccadilly line. Yet we read in one of the briefings that was sent to us today that, although capacity on the Piccadilly line will increase by 20 per cent. by 2015, the consultation

[Mr. Andy Slaughter]

document on Heathrow claims that expansion requires a 39 per cent. increase on the London underground, making the current position untenable.

My hon. Friend the Member for Reading, West (Martin Salter) spoke about the problems of surface access. That is true of not only the M4 but local road networks across west London. Anybody who tries to drive around Shepherd's Bush following the opening of the Westfield shopping centre will find that there is no room for major infrastructure developments on the current road network in west London. Contrary to what my local councillors seem to think, with their grandiose schemes for commercial development, the capacity simply does not exist in that area.

Alternatives to Heathrow have not been properly examined. We have heard that growth in aircraft size will effectively expand the capacity within existing planning constraints by 30 per cent. by 2030, yet that does not appear to be enough for BAA, BA and other large airlines. A broad coalition includes people from extreme unrepentant environmentalists to those who would be perfectly prepared to countenance airport expansion, but believe that, if airports in the south-east are to be expanded, Heathrow is the last airport one would consider for such expansion. Again, I quote the article in *The Economist*:

"Expanding Gatwick is not without difficulties, but these are trivial compared with those at Heathrow."

Why on earth would we look to Heathrow for the major expansion of airport provision in the south-east, given its position and the misery that it causes in a predominantly built-up area?

There is some capacity in high-speed rail, but the Conservatives do themselves a disservice by saying that their plan to build a high-speed link to Leeds-Bradford would solve the problems of Heathrow expansion, when it would in fact take no more than 3 per cent. of current capacity out of the equation. Let us try to be realistic. We should work in a cross-party fashion, as my hon. Friend the Member for Hayes and Harlington suggested, but that is simply not happening.

London is a five-airport city that, on current planning constraints, has the potential to go from 137 million passengers to 210 million by 2030 without the planned additional runway. The comparisons that the Government have made with hub airports on the continent do not stack up. There is no airport in a similar location to Heathrow or with the same number of charter and low-cost flights, which could be more appropriately directed elsewhere. I do not believe that the argument about transfer passengers stands up to scrutiny in the long term either, when so many people prefer to take direct flights from regional or other London airports.

This has been a good debate, with the exception, I am afraid to say, of the contributions from those on the Government and official Opposition Front Benches. The Conservatives have performed an extraordinary volte-face over the past couple of months, standing the policy that they have supported for so long on its head. *[Interruption.]* I see Opposition Members shaking their heads, but exactly a year ago the hon. Member for Chipping Barnet (Mrs. Villiers) said:

"We recognise that the economic arguments for expanding Heathrow are much stronger than any other airport in the south-east".

Talking to a west London audience on "Any Questions?" earlier this year, the hon. Member for Havant (Mr. Willetts) said that

"there is an economic need for more airport capacity...somewhere in the South East".

When asked whether that meant Heathrow, he said:

"although I recognise this will not be welcome by this audience we have to accept that...things sometimes have to happen that people don't wish."

If the Conservative party has sincerely converted, we need more than the rather trivial examples that we have seen so far or the Mayor of London's bizarre proposal, which his party leader has rejected.

I make similar criticisms of those on my own Front Bench. I did not feel from what the Secretary of State said in opening the debate that he had been listening to MPs from west London or elsewhere. In the light of the wholly changed circumstances over the past five years, I hope that in responding to the debate, the aviation Minister will indicate that the door is open at least to looking again at both the risks and the prospects if Heathrow expansion does not go ahead. What is to be lost by reviewing this mad proposal for expansion at Heathrow—particularly in the light of the Government's now excellent environmental credentials—which would cause misery and extraordinary inconvenience to thousands of people in west London, particularly my constituents?

9.23 pm

Mr. Bernard Jenkin (North Essex) (Con): I gather that the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) is a regular sparring partner of my hon. Friend the Member for Hammersmith and Fulham (Mr. Hands), who spoke before him. The hon. Gentleman led Hammersmith and Fulham council and my hon. Friend led the opposition, but such is the proposal that the Government are likely to table that they are now making common cause. The Secretary of State is to be congratulated on bringing together this Molotov-Ribbentrop-style pact across the Chamber against his proposal. What is motivating this atmosphere of reconciliation in the House? First, I sense that there is an atmosphere of betrayal—that is a theme that I draw out of the debate. Betrayals have happened over many years, but it is now a betrayal over alternative runways and the third runway at London Heathrow. That is where I come into the debate.

As a callow youth in the early 1980s, just down from university, I was elected to Matching parish council during the public inquiry on Stansted. The outcome was that we were promised a cap of 15 million passengers per year. As time has passed, that assurance has been betrayed, just like all the other assurances that Governments of both parties have ever made about airports policy in the south-east, to comfort their way through the planning process. We are now looking at the prospect of 35 million passengers a year—or even 65 million passengers a year—and not one but two runways at Stansted.

This is the story that colours the development of London airports. An extraordinary industry has been built up successfully, but from cottage industry airports dotted unsatisfactorily around London. The Government now confront extraordinary choices if they wish to continue with the present policy.

Now, as the Member of Parliament for North Essex, I represent Dedham Vale, which is already suffering the depredations of overflying from Stansted. There has already been a substantial legal case involving moving the overflights to a different part of the country, but I fear for Dedham Vale, which has been designated an area of outstanding natural beauty particularly because of its tranquillity. If Stansted is allowed to expand, the noise pollution in Dedham Vale will continue.

The second theme of the debate that comes over strongly is that, if we had the choice, we would not start from here, and London's major hub international airport would not be where it is today. I commend the tremendous speech by the right hon. Member for Greenwich and Woolwich (Mr. Raynsford). I do not need to repeat in the limited time available many of the things that he rightly said about the merits of reopening the consideration of a Thames estuary airport. Let me say that the debate is not necessarily about continuing the expansion of capacity, but about the creation of viable capacity and asking whether we are going to expand capacity.

The Mayor of London's proposal has invited a certain amount of derision from some quarters in the Chamber this evening. However, I believe that he is absolutely right to help to reopen the consideration of a Thames estuary airport. He is taking the matter extremely seriously. He has done what the Government failed to do, namely to appoint a proper person to investigate the viability of the proposal. I have a copy of the Government's consideration of Thames estuary airports for the 2003 White Paper. It consists of one report, on a mere 22 pages, that considers five or six different sites. It was clearly a desktop exercise. There has never been proper consideration of many of the sites that should now be in play.

The Mayor has appointed Doug Oakervee to conduct a preliminary inquiry. As the Secretary of State knows, he is chairman of the Crossrail consortium. He also has an unrivalled record in airport construction. He is a civil engineer and, believe it or not, he was the project manager for the construction of Hong Kong international airport, which is on an offshore island. That was a British project. The British built Hong Kong international airport, yet the Secretary of State says that it is impossible for us to build our own island airport. Mr. Oakervee will consider all the issues, not least the possibility of a new north-south link between Kent and Essex; the opportunity to re-orient the whole development of London to the east, which successive Governments have tried for many years to do, for example through the Thames Gateway; and enabling 24-hour operation without overflying a single residence. Just think about that—not a single home will be disturbed by overflying to or from a Thames estuary airport. We should compare that to the absolute lunacy of disturbing millions of people every night as planes overfly so many residential homes near the various London airports.

I invite the House to reflect on one final theme. What we have heard in tonight's debate is enough to confirm that the third runway at Heathrow will never happen. We have heard about the falsification of evidence designed to get the project to comply with already crumbling environmental requirements, which shows that this is nothing more than the Government parading their pro-business credentials in a very aggressive way to curry favour with certain quarters in the business community. This project will never happen.

I see the Secretary of State in his place; he must be regretting the tone he struck in his most unfortunate speech earlier this afternoon. He must be thinking that he will not be here to see this third runway opening; he will not be where he is sitting today and he will not have the responsibilities he has now. He will not even see the first sod of earth turned on this new project, which is miles down the track. This is a pre-election exercise. My goodness, if Boris Johnson's proposal was window-dressing, what is this in comparison? I doubt that it will happen.

Once the nail has finally been driven through the heart of this proposal and once it becomes clear that constraints on the expansion of Heathrow, Gatwick and Stansted are fixed by public opinion, which does not want airport capacity so close to where people live, the proposal for a Thames estuary airport so ably floated by the right hon. Member for Greenwich and Woolwich—and, perhaps not so ably, but just as vehemently by me—will move rapidly up the agenda as the only viable alternative, providing a real hub international airport to the east of London. That will be to the benefit of this country and, I believe, the whole of Europe.

9.32 pm

Mr. Julian Brazier (Canterbury) (Con): I hope that the Government have listened to tonight's very good debate. The message has been pretty clear, as we have heard speeches of passion and knowledge.

I am not going to be uncharitable to the Secretary of State, who is new to his job, but I cannot pass over one element of his speech. I understand that he has not had time to be fully briefed on all the weaknesses in the Government's position on noise, but his reply to the perfectly reasonable interjection by the hon. and learned Member for Medway (Mr. Marshall-Andrews) was astonishing. He suggested that he was going to apply the same criteria to the possibility of ending runway alternation as he was going to apply to the prospect for a third runway. That was truly astonishing, as one issue is about levels of noise and the other is about the crucial matter of timing: they are completely different.

The hon. Member for Hayes and Harlington (John McDonnell) made a remarkable speech, as he passionately set out his concerns for his constituents. The hon. Member for Liverpool, Riverside (Mrs. Ellman) made a thoughtful speech, in which she liked the idea of looking further into high-speed rail, but queried whether it could make enough difference to justify its use as an alternative to a third runway. I shall return to this in a few moments.

My hon. Friend the Member for Spelthorne (Mr. Wilshire), in a thoughtful speech, sought to find areas where consensus could be achieved—another matter to which I shall return. He made the case for the other side of the argument passionately—not quite alone, but very nearly alone—from the Back Benches. I associate myself with the generous tribute of the hon. Member for Feltham and Heston (Alan Keen) to Sir Michael Bishop.

My hon. Friend the Member for Uxbridge (Mr. Randall) threatened to lie down in front of a bulldozer. I must say that it would have to be a brave bulldozer. The right hon. Member for Cynon Valley (Ann Clwyd) made a strong case for regional airports, and was the first to

[Mr. Julian Brazier]

draw attention to the importance of all the spare capacity in them at a time when "point to point" flights are increasingly on the agenda.

It was a remarkable coincidence that we should hear first a strong speech from the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) and then one from my hon. Friend the Member for Reading, East (Mr. Wilson). Both those Members, whose constituencies are a long way from Heathrow, said how much their constituents were affected by the existing operation. We then heard three speeches, of which the most remarkable was that by my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), who explained just how seriously the proposed development would damage the credibility that the Government are rightly trying to build on climate change.

We heard a typically punchy speech from my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd), who defended his constituents vigorously. Other forms of impact were are all very well, he said, but what about the health impact? He also reminded us that a cap-and-trade scheme—or emissions trading, as we call it in Europe—can work only if a country has a sensible cap, which, sadly, we have not.

The hon. Member for Manchester, Blackley (Graham Stringer) produced his usual well-informed defence of the Government's argument—the only one apart from that of my hon. Friend the Member for Spelthorne—and I shall return to some of his points later. We heard a powerful speech from my hon. Friend the Member for Putney (Justine Greening), whose remarkable investigations, through a series of freedom of information requests, have revealed so much about the gaps in the argument. We also heard strong speeches from my hon. Friends the Members for Hammersmith and Fulham (Mr. Hands) and for North Essex (Mr. Jenkin).

There are two propositions on which I believe we can agree. The first is that aviation is an important part not just of our economy, but of our way of life. Not only is it our fifth biggest industry; it provides opportunities for businesses and ordinary families of which our grandparents never dreamt. The second proposition is that we all want to make Heathrow a successful airport of which we can be proud. Where we disagree is on the question of how to balance the case for extra capacity presented by BAA and a number of airlines—and still, for a little bit longer, it seems, by the Government—against the huge environmental price to be paid by the local area, the wider region and the globe. The hints that we have been given by the Secretary of State in the media recently and what was said at the BAA conference—welcome as those comments are—suggest that the Government are suddenly warming to the idea of high-speed rail, but they also seem to involve a degree of selective amnesia.

We have argued that high-speed rail could replace a significant chunk of Heathrow flights. The Government and BAA now respond by saying that we should have both, but that was not the position even a few months ago. As recently as March the hon. Member for Glasgow, South (Mr. Harris), the then Under-Secretary of State for Transport, confirmed that not a single official in the Department was working on high-speed rail proposals. Indeed, until a few months ago, BAA was still committed to a programme of redevelopment of its terminals 1 to 4 and the Queen Elizabeth building which, had it gone ahead as planned, would have involved the Airtrack route through Feltham—which has pluses and minuses—but would have ruled out for a generation the proper construction of the Heathrow hub that is at the heart of our proposal.

Today, passengers at Heathrow can take a train directly to very few major United Kingdom destinations. Either they must climb on to a frequently crowded underground train to reach a station where they can change to a train that can take them somewhere, or they must take the purpose-built Heathrow Express route to Paddington. Then, to reach most destinations, they must take an underground train or taxi to another terminus from which they can travel to their eventual destination. We say that that they should be able, in the terminal, to climb straight on to a high-speed train to the north of England or to Europe, or directly access the rail system to the west—including, Cardiff, for which the right hon. Member for Cynon Valley made such a strong case, and, indeed, Reading.

The Secretary of State has made hints. If he wants to intervene, he is welcome to do so. So far he has been remarkably reluctant to challenge any of the attacks made on his alleged facts. The Government are welcome to move to our view on high-speed rail, but it is incredible for them to pretend that it was their policy a few months ago or even that they were looking at it seriously.

It is very sad that the International Air Transport Association report of 2008 picked out Heathrow alone of all airports in the world for special mention for overcharging. Some of its problems are undoubtedly related to runway overcrowding, but not one of the issues for which BAA plc was slated by the Civil Aviation Authority a fortnight ago was related to runway capacity. They ranged from lack of lounge seating to slow provision of disembarkation piers to dirty facilities, strengthening the case for the break-up of BAA, to which a number of Members have alluded.

Another area that needs to be addressed to make the airport better is security. My noble Friend Baroness Neville-Jones is carrying out a comprehensive study on security, which, by learning lessons from best practice abroad, should both improve security and reduce unnecessarily burdensome queues. The CAA has rightly highlighted that and threatened fines over it.

The Government have been unwilling to focus on the issues affecting either local or global environments. Locally, people face serious problems with nitrogen dioxide, noise and mounting road congestion, which in turn feeds back into still further NOx problems. The Secretary of State has confirmed that NOx readings in excess of those set by the EU for 2010 have already been taken, and that is with existing levels. They are outlined in a Department for Environment, Food and Rural Affairs document published last year, and the Environment Agency has pointed to:

"The potential for increased morbidity and mortality over a dense local population."

It took a Greenpeace freedom of information request for this information to be dug out.

As my hon. Friend the Member for Chipping Barnet (Mrs. Villiers) pointed out, both the M4 and the M25 suffer from severe congestion, as do many of the lesser

roads in west London. Congestion is bad for drivers and bad for business, and, of course, it contributes to NOx. I ask Members to imagine adding the equivalent of Gatwick to the existing Heathrow operation, and then let us remember how much bigger aircraft are getting. Many extra passengers will be arriving, a high proportion of them by car—more than 60 per cent. if present patterns continue.

Time does not permit me to rehearse all the arguments made about noise, but my hon. Friend presented a devastating case. There is the brushing aside of the ANASE—Attitudes to Noise from Aviation Sources in England—study, and the fictitious aircraft that nobody is planning to build that plays such a big role in the profiling. Let me add one point. BAA has not helped itself by the stinginess of its insulation scheme. Boeing operates a useful website comparing the performance of various airports in this regard, and it shows Heathrow to have one of the stingiest arrangements in the world. Indeed, if Heathrow were to adopt tomorrow the approach voluntarily adopted by City airport, it would be insulating buildings as far away as Kensington. However, insulation is not the main issue. The plan for this scale of expansion, combined with the threat of an end to runway alternation, represents a potentially devastating blow to the peace and enjoyment of hundreds of thousands of people.

There is not sufficient time to go back over the arguments on climate change, and after several excellent contributions, particularly that of my right hon. Friend the Member for Suffolk, Coastal, I do not think I need to do so. We cannot on the one hand say, "We want to lead globally on this"—which all the main parties agree on—and then on the other hand say, "We are going to build this extra runway." The arguments on the other side are twofold. First, it is said that the aviation industry requires this expansion if Heathrow is to remain a world-class airport. It is certainly true that Heathrow has lost a small number of its thinnest routes in the past decade, but it remains connected to 180 airports, and eliminating some short-haul connections—not just the 3 per cent. to Manchester and Leeds, but also those to Paris, Brussels and Amsterdam as the high-speed rail link kicks in—will release some spare capacity. When slots are changing hands for tens of millions of pounds, nobody will persuade me that Heathrow is close to the edge.

Mr. Wilshire *rose—*

Mr. Brazier: Sadly, I do not have time to give way, and I apologise to my hon. Friend.

The wider issue that is constantly put forward is of a threat to the British economy. Let us remember that a recent presentation from BAA and Flying Matters conceded that only 36 per cent. of passengers are business passengers. Government is about making choices, sometimes difficult ones. We have to choose between increasingly thin economic arguments, on the one hand, and a severe and sustained devastation of quality of life for hundreds of thousands of people, on the other. We have to make that decision against a background of climate change.

Through a high-speed rail alternative, our plans offer some of the growth that the economists want, a much better connected journey for passengers, a railway system fit for the modern era, protection of the local environment and a worthwhile step on climate change. I commend them to the House.

9.45 pm

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): My right hon. Friend the Secretary of State said that he was well aware that the topic of Heathrow would arouse strong opinions in today's debate, and clearly he was not wrong. Heathrow plays a key role in the country's economy, as was made clear in the 2003 White Paper and in the Eddington study, and its importance has been reinforced again today. The economic arguments demonstrate that the capacity of the airport requires the level of attention and scrutiny that is rightly being given to the issue in this debate, and in the many steps that have brought us to this point. I acknowledge that a number of contributions have challenged the Government's economic case, and I shall return to that. However, it is our stated position that Heathrow is vital, as the UK's only hub airport, not only to the economy of London or of the south-east alone, but to the country as a whole. Aviation in the UK delivers £11 billion of economic benefits, employing 200,000 people directly; Heathrow employs 100,000 directly and indirectly.

With regard to Heathrow, we must consider the serious questions of environmental impact. It is right that any decision we make on Heathrow must take into account all our responsibilities as a Government, including those we owe to the environment and to the people who live and work around the airport.

Mr. John Grogan (Selby) (Lab): Will the Minister give way?

Jim Fitzpatrick: I have less than 15 minutes to respond to a six-hour debate, so if I have time at the end, I will come back to my hon. Friend.

To that end, I hope that the House accepts that we are making great efforts to involve as many people and organisations as possible, at every level, in what has been a lengthy and exhaustive consultative exercise. We have been clear that any development would depend on the strict environmental criteria being met; again, a huge amount of work has been carried out in that area.

I turn to some of the points raised in the debate. The hon. Member for Chipping Barnet (Mrs. Villiers) claims that we are scrapping alternation. I am sure that she knows we are consulting on that, as we are on the Cranford agreement and westerly preference, as well as on the crucial question of the third runway. She says that we have no plans on surface access, but my right hon. Friend the Secretary of State mentioned Crossrail, the improved Piccadilly line and Airtrack, to name just a few. On her allegations of collusion and reverse engineering, she knows, because we have discussed this before, that we need to lay down restrictions within which the airport must operate.

The 2003 White Paper clearly stated that the airport operator, BAA, should work with the Government, the Civil Aviation Authority and NATS to develop proposals consistent with conditions laid down by the Government. It would not have been sensible or possible to attempt that work without the technical and operational expertise of the airport operator. BAA was therefore asked to advise on how operations at the airport might need to be adjusted or aircraft movement numbers lowered to help meet environmental constraints.

[Jim Fitzpatrick]

The hon. Lady also claimed that the Government invented the 450-seater plane to meet the Heathrow challenge. The aircraft in question was assumed to be a stretched version of an existing aircraft, the Boeing 777-300, and to be due to enter service some time after 2020. It is a fairly standard approach by manufacturers to extend the life of an original design by upgrading it in this fashion over time.

The hon. Lady said that the forecasts for 2003 were not still valid. In 2007, revised air traffic forecasts were published alongside the consultation. Further updates will be provided at the time of the decision later this year.

On the economic arguments, the hon. Lady claimed a negative impact on local prosperity and housing prices. However, that was disputed by other Conservative Members. She also claimed that there would be no effect on Heathrow if present levels were continued, but my right hon. Friend the Secretary of State clearly spelt out both the reduced number of destinations being served by Heathrow, the increasing number of UK residents flying to the continent to connect, and the reduction in access from regional airports.

The Opposition announced on 29 September that a full high-speed rail network could add £60 billion to the UK's wealth, with £5.2 billion for Birmingham. Earlier this year, Atkins estimated benefits of just over £60 billion over a 60-year period for a full network of high-speed lines at a cost of approximately £30 billion—not the benefits associated with the Conservatives' scheme.

The Opposition also claim that a high-speed rail link could replace up to 66,500 flights a year and free almost a third of the capacity that would be provided by a third runway. The total number of flights from Manchester and Leeds-Bradford was less than 3 per cent. of Heathrow's total flights—approximately 13,000 over the past 12 months. Even if the capacity of every flight from Manchester and Leeds-Bradford were transferred to a new high-speed rail line, Heathrow would still be operating at 97 per cent. capacity.

My hon. Friend the Member for Hayes and Harlington (John McDonnell) said that this decision was about BAA's profit margin, but my right hon. Friend the Secretary of State pointed out that it was about the economic case for UK plc, not for BAA. My hon. Friend asked about the Sustainable Development Commission and said that the Government should revise their aviation policy. If I may advise him, I can tell him that the SDC's views ignore the extensive consultation before the White Paper and our thorough and detailed analysis. He also stated that the consultation said nothing about land and compensation costs. I can assure him that the impact assessment, published last November, did assess compensation costs and impacts in terms of land take, heritage, green belt and other matters.

The hon. Member for Lewes (Norman Baker) raised the question of collusion. I intervened on him to refute that, and I covered the point a moment ago. He suggested that the emissions trading scheme would stifle flights. It may have an impact, but it is designed to deal with the predicted increase in aviation in the years ahead to ensure that the industry pays for the increase expected, not to strangle it and kill it off. We have laid down our targets in the Climate Change Bill and the ETS for aviation will play its part. He also raised the question of NOx, but my right hon. Friend the Secretary of State outlined how we intend to comply with the directive.

My hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman), the Chair of the Transport Committee, recalled its conclusions about the difficulties of passengers at Heathrow in 2003 and outlined why it agreed in principle with the Government's position. However, she also raised important issues including alternative fuels, the impact of the economic climate and, especially now, the importance of Heathrow as an international hub.

The hon. Member for Spelthorne (Mr. Wilshire) explained that he was in a dilemma about whether to support those on his Front Bench. As a former Whip, that must have indeed taxed him. However, he explained the arguments that persuaded him. He said that he wanted a better Heathrow, not just a bigger one, and used terminal 5 to illustrate his point. He expressed his confidence in and experience of improved noise and emissions, but explained that the environmental impacts and protections were still critical for him.

My hon. Friend the Member for Feltham and Heston (Alan Keen) expressed concern about the ending of alternation and, as I have said, the Secretary of State covered that as part of the consultation. My hon. Friend mentioned that he would be flying to Teesside for a Boro game soon—I wish him a safe trip, if not the three points, especially if they are playing West Ham. I am sure that he is right to say that the world economic situation will have an effect on aviation, but that may be short term, and it remains to be seen how great that effect will be.

The hon. comrade for Uxbridge (Mr. Randall) complimented the speeches of his neighbours and put his own views strongly, as he has done on several occasions. He also referred to his Whip's dilemma and the conclusion that he reached, which was to oppose the third runway.

My hon. Friend—and former ministerial colleague—the Member for Glasgow, South (Mr. Harris) outlined his belief in an economic impact if Heathrow does not improve, and said that the business community would give up on Heathrow over delays, stacking and poor service. He expressed concern about the delivery of the Crossrail project if additional capacity at Heathrow did not proceed.

The hon. Member for Windsor (Adam Afriyie) mentioned the quality of the passenger experience at Heathrow and cited terminal 5 as a good example of the way forward. Terminal 3 has had its facelift, terminal 4's refurbishment should be finished next year, and terminals 1 and 2 will be replaced by Heathrow East—a change scheduled for 2012. That is a multi-billion pound investment, which I am sure that he would welcome. He asked for evidence about the negative impacts on Heathrow. My right hon. Friend the Secretary of State outlined in his speech that they would include fewer destinations, reduced access for UK airports and more citizens moving to Europe.

My right hon. Friend the Member for Cynon Valley (Ann Clwyd) made a strong plea for more use of regional airports. She argued for the development of airports such as Cardiff. She is right, of course. The 2003 White Paper supported the development of UK airports, including Cardiff, and they have grown significantly in the years since then. The Government are keen that regional

airports should grow to support local demand, as well as to reduce demand at Heathrow, but they will not do that at the levels that could reduce the need for expansion at Heathrow.

The hon. Member for Richmond Park (Susan Kramer) raised the subject of alternation. She also asked me to secure a meeting with my noble Friend the Minister responsible for railways. I will ensure that he is aware of her request. She raised the subject of schools. A third runway would impact on 25 schools and nurseries, and mixed mode would impact on 43, not the 20,000 that she mentioned.

My right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) mentioned continuous descent approach. CDA would be reduced, in all probability, by mixed mode, but the benefits of CDA are largely outside the 57 dB noise contour. I am advised that there would not be a huge increase in noise, as alleged. He also mentioned noise impacts in terminal 5, as raised by Roy Vandermeer QC. The precautionary principle led Roy Vandermeer to recommend a noise contour of 145 sq km at 57 dB by 2016. The area is now about 120 sq km, and it is important to acknowledge the improvement in the noise climate that has already been delivered. We are committed to not exceeding the 127 sq km contour in the future.

My hon. Friend the Member for Reading, West (Martin Salter) raised the question of conflict between noise and safety, and the potential impact of added capacity. My right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher) outlined why he is not convinced. He unfairly said that the Secretary of State was not concerned with environmental targets, when the Secretary of State had clearly covered the point in his opening speech.

My hon. Friend the Member for Reading, West raised the problems with Thames valley surface access to Heathrow. He quoted liberally from the Labour party briefing, which amused right hon. and hon. Members in the Opposition but stated the case: no decision has been taken, and environmental protections must be met.

My hon. Friend the Member for Manchester, Blackley (Graham Stringer) expressed some discomfort about supporting additional capacity as a north-west MP, but explained how he arrived at his conclusion. In a thoughtful speech, he explained how his experience at Manchester airport helped his conclusions.

The hon. Member for Putney (Justine Greening), who has been consistently opposed to any increased capacity, raised the ANASE report, public transport and surface access, access to information, joined-up government—or what she saw as a lack of it—and the risks as she sees them.

I apologise to the hon. Member for Ruislip-Northwood (Mr. Hurd), the right hon. Member for Suffolk, Coastal (Mr. Gummer), my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews), the hon. Member for Hammersmith and Fulham (Mr. Hands), my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) and the hon. Members for North Essex (Mr. Jenkin) and for Canterbury (Mr. Brazier) for being unable to respond in detail to their contributions.

In conclusion, to round off the comments on the economic impact, I want to refer to the CBI briefing for this debate—*[Interruption.]* It states on page 2—*[Interruption.]* I know that Opposition Members do not want to hear this, but it states:

"Surveys of business opinion have consistently demonstrated the importance of Heathrow…Nine out of ten companies surveyed in London or in areas close…said that they regarded the airport as either 'vital' or 'very important'…80 per cent. of businesses"—

[Interruption.]

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The Minister will give way if he wishes to, but I do not want this amount of noise drowning out his final remarks.

Jim Fitzpatrick: The CBI concluded by saying:

"The case for giving Heathrow the capacity it will need for future growth is very strong, with the future prosperity of London and the wider UK economy depending on it."

This is a once-in-a-generation opportunity to ensure that the UK has the infrastructure it requires to play its full part in a global economy. I know that both sides of the House will wait eagerly for the conclusions of my right hon. Friend the Secretary of State. He has assured the House that he will review all the evidence on the built-in environmental safeguards in great detail. He will do so as quickly as possible in the best interests of everyone—not just of BA, BAA, the unions, the business community or local opinion. He will make his decision in the best interests of the whole of the UK.

Question put and agreed to.

Resolved,

That this House has considered the matter of adding capacity to Heathrow.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

LEGAL SERVICES

That the draft Legal Services Act 2007 (Functions of a Designated Regulator) Order 2008, which was laid before this House on 22nd October, be approved.—[*Mr. Ian Austin.*]

Question agreed to.

PETITIONS

Post Office Card Account

10 pm

Mr. Lindsay Hoyle (Chorley) (Lab): This petition states:

The Petition of residents of Chorley and others,

Declares that the Post Office Card Account should be renewed.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Work and Pensions to renew the Post Office Card Account as soon as possible.

And the Petitioners remain, etc.

[P000285]

I have more than 3,000 cards signed by people in Chorley who want the post office card account to be renewed, with the Post Office. The card account is

[Mr. Lindsay Hoyle]

important not just because there are 4.2 million cardholders, but because it is used by some of the most vulnerable people in our communities.

In addition, the closure of post offices around the country would leave many communities without a post office. I believe that POCA can be delivered only by the Post Office. I support the campaign and urge the Government to renew the POCA with the Post Office. I want Royal Mail to remain in public ownership—unlike the Liberal Democrats, who do not believe in the public ownership of Royal Mail.

Finance (Public Projects)

10.1 pm

Norman Baker (Lewes) (LD): I have been asked to present a petition from London Global Table that advocates a new non-inflationary financial mechanism, free from interest, and the use of national bank-issued interest-free loans is such a mechanism. It draws attention to the fact that such mechanisms are in applicable and in use in Canada, New Zealand, Guernsey and Malaysia, and urges the Government to bring forward legislation to enable the Bank of England to issue interest-free loans for public, environmental and cleaner-electricity capital projects.

Following is the full text of the petition:

[The Petition of London Global Table (an association of people concerned for Global Justice) and others of like disposition.

Declares that the United Kingdom uses interest-bearing money to fund public capital projects thereby increasing the National Debt; requires a new non-inflationary financial mechanism free from interest; the use of national bank-issued interest-free loans is such a mechanism.

Further declares that in the past such a mechanism (using national bank-issued interest-free or low-interest loans) has been successfully used for public capital projects in Canada, New Zealand, and Guernsey and is believed to be currently in use in Malaysia.

The Petitioners therefore request that the House of Commons urges the Government to bring forward legislation to enable the Bank of England to issue interest-free loans for public, environmental and clean electricity capital projects, such loans to be repaid and, on repayment, cancelled, thereby halving or more the usual cost in a non-inflationary way.

And the Petitioners remain, etc.]

[P000286]

Lockerbie Rail Services

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

10.2 pm

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I am pleased to have the opportunity to raise my constituents' concerns about services, or the lack of them, at Lockerbie station. I have to say at the outset that I am extremely disappointed that after one long battle at Lockerbie station was won—with the provision of a state-of-the-art footbridge to allow disabled access to the southbound platform, following a 10-year campaign that was so ably led by Wyn Deamer of the Annandale and Eskdale Coalition for the Disabled—those who use the services at Lockerbie station or who are concerned about the economy of the south of Scotland appear no closer to a resolution of the equally long battle to ensure that the train services operated from the station meet local needs.

These are issues that I have raised with the Minister's predecessors, most recently the hon. Member for Glasgow, South (Mr. Harris). I have also raised them with Scottish Ministers, most recently at a meeting with Scotland's Transport Minister Stewart Stevenson on 28 October. Indeed, as far back as 20 June 1999, I sponsored one of the first Members' debates held in the Scottish Parliament—they are the equivalent of Adjournment debates in this House—in which the issue at the very heart of tonight's debate, a direct early morning service between Lockerbie and Edinburgh, was raised. Nearly 10 years on, no such service has been delivered. I contend that the introduction of the new timetable on 15 December will lead to the package of services at Lockerbie, especially between Glasgow and Edinburgh, being significantly reduced. That is totally unacceptable to me and my constituents.

Some will wonder why the services to a station in Scotland are being debated on the Floor of the House, when transport is a matter devolved to the Scottish Parliament, but not, I am sure, the Under-Secretary of State for Transport, the hon. Member for Gillingham (Paul Clark). He will be familiar with the provisions of the Scotland Act 1998, which mean that cross-border services remain the responsibility of the Department for Transport. Lockerbie is in a unique position: although the station is within the ScotRail franchise, currently operated by First ScotRail, no services operated by First ScotRail stop there. The station is manned by ScotRail staff, and I want to use this opportunity to pay tribute to their professionalism and dedication, which is much appreciated by all my constituents who use the station.

To reiterate, all the Lockerbie services are provided under a franchise arrangement over which Scottish Ministers have no direct control. That does not mean that they have no influence. As Stewart Stevenson points out in his letter to me of 7 November, Ministers in the Scottish Government are able to provide non-binding advice to the UK Government on such cross-border services. I will return to the advice that was given.

I am sure the Minister will appreciate that my constituents find the complexity of the arrangements unsatisfactory. They believe that that contributes to their needs not being given the priority that they deserve. What better

example is there than the new timetable for Lockerbie station? It is not a coherent set of services, designed to meet the needs of station users, and their oft-expressed wish for commuter services, shopping services and evening leisure services to Glasgow and Edinburgh. Instead, it is a random set of services, designed, one suspects, to tick rail industry boxes, with little thought for the customer. It is no wonder that my constituents feel that Lockerbie is a forgotten station, caught in a no-man's-land between Scottish Government and UK Government responsibilities, with nobody actually focusing on the needs of Lockerbie station users.

It would be churlish to suggest that there are no improvements to services in the new timetable, which is to be introduced in December. The services to Manchester airport and central Manchester are to be welcomed. My son and I recently used that service, which is operated by First TransPennine Express, and it was excellent. Indeed, services to the south generally allow people relatively straightforward connections to most destinations in England and Wales. That is despite the many unwelcome changes to direct services brought about by the break up of the previous cross-country franchise, operated by Virgin Trains. I was extremely unhappy about those changes at the time, as I believed that they would adversely affect services at Lockerbie, and that has proved to be the case.

However, whatever the issues about services to the south, I return to the point that it is services to Edinburgh and Glasgow that are of most concern to my constituents. After all, as I hope the Minister will appreciate, it is not practical for my constituents to jump in their cars and drive to the next station north, given that it is some 48 miles away. It is the longest section of railway line in Great Britain without an intermediate station. I am not proud that my constituency can boast that statistic, but the arguments for reopening the Beattock and Symington stations along the route are for another day.

Naturally, it is also welcome that the first proposed new service of the day, the 08.15 from Lockerbie to Edinburgh, does not require a stop at Carstairs. Even my constituent, the hon. Member for Lanark and Hamilton, East (Mr. Hood), would concede that Carstairs station is not an attractive prospect on a cold and wet Scottish winter morning. However, there should never have been a need for a change there in the first place. It was another example of the interests of Lockerbie station users being compromised and, disappointingly, of Virgin not being totally transparent in its dealings with me and other local stakeholders when proposing that service, which it originally pitched as the much sought-after early morning service to Edinburgh.

Specifically on that issue, as I have said, on numerous occasions over the past 10 years a direct early morning service to Edinburgh has been promised but never delivered. There is widespread recognition of the economic benefit of such a service, as indeed there is of a service to Glasgow, particularly in an area that has some of the lowest wages in the United Kingdom and suffers from a constant drain of young people to urban areas. In its regional transport strategy 2008 document, the South West of Scotland Transport Partnership rightly identifies the fact that such services are

> "critical to allow commuters and others to travel regularly to Scotland's economic core. This would place the region on a par with other areas of Scotland actively promoting this sort of long distance connectivity as a means to retain key workers in local communities."

In non-binding advice to UK Ministers in October 2006 as part of the west coast main line franchising process, Scottish Ministers—then part of a Labour-Liberal Democrat Administration—recognised the importance of Lockerbie as a regional railhead for south-west Scotland, and stated their desire that the Lockerbie service should permit a journey to both Glasgow and Edinburgh, arriving no later than 08.40 and departing between 17.00 and 18.00.

The current Scottish Government led by the Scottish National party share that view, so there is no party political element to this cause. In his letter of 7 November, Stewart Stevenson MSP states:

> "Although Scottish Ministers are unable to intervene in the detail of the current franchise arrangements between the DfT and First TransPennine Express, we can see the economic benefits of enhancing the cross border connection by providing an additional early morning, direct service to Lockerbie. This addition would provide significant benefits such as increased frequency and would in turn open up the route as a commutable journey that would improve the economic growth of both Lockerbie and the surrounding areas and for Edinburgh itself."

Those views seem to have found favour, and at a meeting of the Lockerbie rail liaison group held in the town on 19 November 2007 at which I was present, presentations were given by both Virgin Trains and First TransPennine Express, with the impression being created that those early morning services would finally be provided with the support of the Department for Transport. That impression was reinforced in discussions I had with the then Minister, the hon. Member for Glasgow, South, earlier this year, and it seemed at the time that there would be a Lockerbie service arriving in Edinburgh at 08.32 from this December.

Out of the blue, in the early summer, that proposal was pulled. The reason given to me was that the proposed First TransPennine Express 09.11 Edinburgh to Manchester airport service, which was to be formed from the new 08.32 arrival, could not be pathed through the border by Network Rail because of various long-standing and time-sensitive freight commitments. First TransPennine Express was unwilling to keep its train in Edinburgh until a 09.56 departure slot was available, and so, once again, the interests of Lockerbie station users were compromised. They have come at the bottom of the pecking order, marginalised to suit other interests, whether freight or TransPennine's own agenda.

As I have said, I do not have any criticism of the services that TransPennine Express provides from Lockerbie, but let us have no more pretence that it is doing so for the convenience of Lockerbie station users or to provide the station with a balanced and logical pattern of services. Similarly, a DFT proposal for a morning Lockerbie to Glasgow service, arriving in Glasgow at 08.42, albeit with a change at Carstairs, has been dropped. The earliest that Lockerbie passengers, after the introduction of the new timetable, will arrive in Glasgow is 09.09—11 minutes later than at present. It is no wonder my constituents feel let down and simply ignored by the DFT. Their views have been ignored and their interests marginalised, and I am calling on the Minister to undertake to right those wrongs and to deliver those desperately needed, direct early morning services as soon as is practicable, and for once to put the interests of Lockerbie

[David Mundell]

station users and the economy of the south of Scotland before the agendas and interests of bureaucrats, train operating companies and the wider rail industry.

The strength of feeling about the failure to deliver the early morning services is exacerbated by the effective butchering of the existing timetable throughout the day. At present, some 15 northbound services stop at Lockerbie, eight for Glasgow and seven for Edinburgh. After the new timetable is introduced in December, it is proposed that only nine northbound services will stop at Lockerbie, four for Glasgow and five for Edinburgh. A 40 per cent. cut in services hardly represents an attempt to achieve the modal shift to rail, which is one of the Government's buzz phrases.

Let us look at some specific examples. From the afternoon to the evening, there is an eight-hour gap between the 12.30 service to Glasgow and the proposed 20.44 service to Glasgow. From the morning to the afternoon, there is a four-and-a-half hour gap between the proposed 09.56 service to Edinburgh and the 14.30 service to Edinburgh. The 18.47 direct service to London Euston has also been removed, and the last services from Glasgow and Edinburgh are around 20.10, which makes it impossible for people to attend evening events—the theatre or other cultural activities—in Glasgow and Edinburgh and return to Lockerbie.

What I and my constituents find particularly difficult to understand is that several services that have been cut still pass through Lockerbie, such as the 07.19, 08.20, 10.20, 11.20 and 12.20 services from Birmingham and the 12.52 from Edinburgh. They are all examples of services that, although cut from the Lockerbie timetable, still pass through the station, and I look forward to receiving the Minister's explanation. I cannot think of one. Indeed, plenty of other trains pass through Lockerbie station, and they would allow for the creation of a coherent and bespoke timetable if the will was there to do so. Again, let us hear from the Minister why such a measure seems to be impossible.

It seems to me that Lockerbie is being discriminated against because it is on the west coast main line. Everyone welcomes the west coast main line upgrades, the faster trains and the shorter journey times, but the Department seems to have become obsessed with the importance of cutting journey times between major cities, and it looks to do so by cutting out intermediate stations rather than solely through track upgrades. That approach is to the detriment of all who live in communities such as Lockerbie, which are served by small stations, and I am sure that it is done partly to achieve competitiveness against London to Glasgow domestic flights. However, in trying to do so, the Government sacrifice the needs of areas such as Lockerbie, where people do not have the choice of local domestic flights—that is, unless Carlisle airport is reopened. And for any Department for Transport officials who are listening, I fully support its reopening.

Lockerbie station users are not making excessive demands on the Department. As the South West of Scotland Transport Partnership says in its regional transport strategy, there ought to be a "balanced stopping pattern", and as the Scottish Government have said, it should accommodate early morning direct services to Glasgow and Edinburgh. I am sure that the Minister and his colleagues receive many complaints about train delays and cancellations, but I am also sure that he will agree that for Lockerbie station users to have to wait 10 years for early morning direct services to Edinburgh and Glasgow, and to have 40 per cent. of their daytime services cancelled permanently, is totally unacceptable. Tonight, I hope that he will take the opportunity to put that right.

10.19 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I congratulate the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) on securing this debate and providing an opportunity to debate rail services at Lockerbie. I genuinely understand his comments on behalf of his constituents, yet in many of those comments are implied the competing demands of meeting the needs of the travelling public from all parts of the United Kingdom and of meeting economic demands, whether in Scotland or elsewhere. In the short time available, I hope to address some of the issues that the hon. Gentleman has raised.

The performance of today's railways, which have improved significantly in recent years, represents a strong success story. The focus on the punctuality and reliability of Network Rail and train operators has sharpened. Investment is at record levels and after years of managing decline, the industry is having to deal with unprecedented growth in demand for rail travel. The Government are giving high priority to providing additional capacity, through the provision of additional carriages and new infrastructure.

The hon. Gentleman referred to the £8.8 billion that has been going into the west coast route modernisation project, which is now drawing to a close. The project has renewed and upgraded the key main rail line and it links some of the key population areas of the country. It must accommodate not only many long-distance passenger trains, but numerous local and regional passenger services. The west coast main line also handles 40 per cent. of the nation's rail freight. The work of rebuilding has taken place on a live railway, but it has been and is a success story. It has been a team project in that it brought together Network Rail, the train operators and those who carried out the work.

The £8.8 billion of public money was to provide a railway that is safe, allows trains to operate reliably and has headroom for growth in both passenger and freight traffic. Capacity is being provided for 80 per cent. more long-distance passenger trains and a 60 per cent. increase in freight traffic. Those are the parameters for meeting the demand for services. One important feature of west coast route modernisation is to secure the best return for taxpayers on the investment; another is to ensure that rail contributes the maximum possible to the overall transport network of the country. The issue is rightly about getting passengers to use rail in preference to other modes of transport, and experience to date indicates that that is being achieved.

However, difficult choices have to be made and they include allocating resources where they can deliver the best possible service. It should also be noted that the Government have required the drafting in of 19 additional tilting 125-mph diesel Voyager trains, the use of five new trans-Pennine diesel trains and the delivery of 30 additional 100-mph electric trains, on top of the new

Pendolino fleet. Much of the new timetable planned for December 2008 is focused on the optimal use of those resources, the efficient deployment of which is vital to deliver additional seats for the rapid growth in train use. The longer-distance services will be able to run much faster, and much effort is going into ensuring that the weekend services will, at long last, be similar to those of weekdays.

Passenger transport on the west coast main line continues to grow, and has done since the introduction of the revised timetables in September 2004. Overall, there has been an increase well exceeding 50 per cent. and in some cases the growth has been almost 80 per cent. Our predictions are that that will treble over the next period to 2012, with the route generating more than £1 billion in annual revenue. Additional business has been generated at many stations along the west coast route, including Lockerbie. However, it is not a station where business is likely to grow significantly when compared to the other locations on the line.

Let me pick up on some of the points that the hon. Gentleman made about the number of services. There are currently 15 northbound and 11 southbound services across the day, which are provided by Virgin West Coast and First TransPennine Express. Of the southbound trains, two are for London, four for Birmingham and four for Manchester Airport, with a First Scotrail service terminating at Carlisle. Typical journey times outside the peak are more than four hours to London, more than three hours to Birmingham and two and three quarter hours to Manchester Airport. Northbound services are split evenly between Glasgow and Edinburgh and travel times are between one hour and one hour and 15 minutes.

The new timetables that are being introduced next month take advantage of completion of the west coast route modernisation project. They are also designed around the constraints governing rolling stock availability and getting the most out of the new infrastructure. In particular, the services will, for the first time, start to become competitive with air travel services for London and Birmingham to Glasgow and Birmingham to Edinburgh. Compared with pre-upgrade services, Anglo-Scottish journey times will be reduced by some 80 minutes.

According to the December 2008 timetable, Lockerbie will be served on a broadly two-hourly pattern, with nine northbound and 10 southbound trains—one of the requirements for Lockerbie put forward by Scottish Ministers in terms of their aspirations for a broadly two-hourly pattern of services at off-peak times. That is an improvement on the pre-project situation in 2003-04, when nine northbound and seven southbound trains were offered. The London train will be re-timed to call early in the morning with two return evening services, allowing business travellers to make a day trip.

The hon. Gentleman referred to arrivals at Glasgow and Edinburgh before 9 o'clock. First TransPennine Express had intended that the 06.58 departure from Carlisle would stop at Lockerbie at 07.17 and reach Edinburgh by 08.32. However, following the discovery that the service could not be accommodated at Edinburgh Waverley station, resources had to be redirected to form the 06.03 Manchester to Edinburgh train, which calls at Lockerbie at 08.15 and arrives in Edinburgh at 09.17.

Those are some of the challenges faced in meeting a complex set of demands by the travelling public.

Mr. Russell Brown (Dumfries and Galloway) (Lab): I congratulate the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell) on securing this debate. My hon. Friend the Minister talks about the difficulties in readjusting timetables. Heading north, the station before Lockerbie is Carlisle. The change in the timetable next month creates difficulties whereby people getting off at Carlisle to change trains to head into south-west Scotland on the Glasgow and south-west line will miss trains by two minutes or have to wait more than 40 minutes for a connection. This has been badly judged by Virgin Trains. People travelling north to Stranraer, at the furthest point in my constituency, will more often than not miss a five-minute change and be left stranded in Carlisle.

Paul Clark: I thank my hon. Friend for his intervention. I know that he campaigns hard on behalf of his constituents. I say, as I said to the hon. Member for Dumfriesshire, Clydesdale and Tweeddale, that this is about managing the timetable to get the best possible fit for connections and for the delivery of fast services, which is one of the things that is highlighted by the travelling public in virtually every survey and consultation that we undertake on reliability, punctuality and the speeds between fixed points.

We believe that the new timetable will settle down fairly quickly. It was developed based on extensive consultation with many of the key stakeholders in the areas that the hon. Member for Dumfriesshire, Clydesdale and Tweeddale and my hon. Friend the Member for Dumfries and Galloway (Mr. Brown) represent, and many others. Journey times will be considerably quicker, with the fastest journey time taking three hours and 24 minutes, compared with well over four hours at the moment. That represents a fall of more than 40 minutes.

I am aware that there is local disappointment about the services on offer, but the hon. Member for Dumfriesshire, Clydesdale and Tweeddale referred to the services to Manchester and Manchester airport as being a success and well en route to meeting some of the requirements of his good constituents in Lockerbie. There has been a genuine consultation and discussion about how best to utilise the vast investment that has gone into the west coast main line in order to meet the requirements of high-speed services and the requirements of a significant number of communities that are on that line. As the hon. Gentleman rightly said, a number of those trains still go through Lockerbie, but they are fast services and have been able to reduce some of the journey times by more than 40 minutes only because they are not stopping. It has been necessary to balance those requirements.

In conclusion, I recognise the need to balance the demands of reliability, punctuality and speed. The hon. Gentleman's comments will have been taken on board. We will watch the implementation of the new timetable closely. I believe that it will settle down, but there are always options open for discussion at other times.

The motion having been made after Ten o'clock, and the debate having continued for half an hour, Mr. Deputy Speaker *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at twenty-eight minutes to Eleven o'clock.

House of Commons

Wednesday 12 November 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DUCHY OF LANCASTER

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster was asked—

Volunteering (Young People)

1. **Kerry McCarthy** (Bristol, East) (Lab): What steps he is taking to encourage more young people to volunteer. [234793]

The Parliamentary Secretary, Cabinet Office (Kevin Brennan): The Government are investing £117 million in youth volunteering in the next three years through the organisation v. This is the biggest ever investment in youth volunteering and v has so far created 750,000 volunteering opportunities. The Office of the Third Sector also provides funding to YouthNet UK, the National Youth Agency, Youth Action Network and the British Youth Council, which will provide youth volunteering opportunities.

Kerry McCarthy: I thank the Minister for that response. Although progress has been made, it is still very much the case that children from poorer families are less likely to be able to volunteer to do internships or a gap year working in the community before going on to further study. They lack the contacts, the confidence or, in many cases, the finance to do so. Will the Minister tell the House what more is being done to ensure that the opportunity to volunteer is made available to everybody?

Kevin Brennan: My hon. Friend is absolutely right. Volunteering is an extremely important part of social mobility and opportunities. Volunteering in our most deprived communities is important to building up our young people's aspirations and the skills that are available to them, which is why we are making the investments that I have mentioned. As she mentioned gap years, she will be interested to know that the Department for International Development is investing £10 million to enable 18 to 25-year-olds to volunteer for 10 weeks overseas. The Platform 2 project, as it is called, is aimed at those who would otherwise not have that opportunity.

Mark Pritchard (The Wrekin) (Con): As the Minister will know, with a former Defence Minister, the hon. Member for West Bromwich, East (Mr. Watson), on his right, many young volunteers in the community are from the cadet forces. May I encourage the Minister to liaise with Defence Ministers as part of Cadet 150 to ensure that the right funding is found for the Sea Cadet Corps, the Air Training Corps and the Army Cadet Force?

Kevin Brennan: Let me take this opportunity to pay tribute to the Cadet Corps and the great job that they did on Remembrance Sunday and in the recent important commemorations. I can confirm that the Government fully support the Cadet Corps. Indeed, my previous post was in the Department for Children, Schools and Families, and we did a great deal to promote the cadet forces through our schools, and I will certainly be happy to liaise with colleagues in the Ministry of Defence on the issue.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): I am a patron of TimeBank, one of the great volunteering organisations in the United Kingdom. Will the Minister confirm that the research so far suggests that those who are out of work but volunteer then get back into work more quickly than any other group of people?

Kevin Brennan: Yes. I recently met representatives of TimeBank, and I commend my hon. Friend for his work. Volunteering is extremely important to getting people back into work, in terms of both aspiration and skills. Volunteering can form an important part of getting people back into work quickly and maintaining momentum in social mobility. I speak from personal experience: when I left university in 1982, at a time of high unemployment, the first thing that I did was volunteer in what would now be called a social enterprise. I can confirm that doing so helped me to get the confidence and skills to get into paid employment quickly.

Susan Kramer (Richmond Park) (LD): I should like to follow up on that comment. The Minister will know that many young people who will be graduating from school and university will be aware that they are not going to get work in this economic climate. What is he doing with the voluntary sector to step up volunteering opportunities for those young people, so that they are not disillusioned and can at least gain some experience and strengthen their CVs?[1]

Kevin Brennan: I would recommend volunteering as an option for people leaving university who are not immediately moving into work. As I have said, the investment that the Government are making in v, which has already been matched with more than £33 million from the private sector, with, I understand, more to come in an announcement in December, will play a big role in getting young people into those volunteering opportunities. As I have said, v has already identified more than 750,000 opportunities for young people.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I recently attended an event in Tipton in my constituency, which was organised by V Flex and designed to promote volunteering in local charities and schools. Will the Minister undertake to assess the progress and outcomes of such events, with a view to rolling out best practice in the rest of the country?

1. *[Official Report, 19 November 2008, Vol. 483, c. 1MC.]*

Kevin Brennan: I commend my hon. Friend for attending that event and taking such a close interest. I will certainly be happy to talk with him and hear what his perspective on that event was and to take a look at the success of such events throughout the country.

Mr. Nick Hurd (Ruislip-Northwood) (Con): What does the Minister think will be the impact of a deep recession on attitudes to volunteering? What assurance can he give the House about the Government's commitment to coming forward with measures to support charities and voluntary organisations that are suffering liquidity and cash-flow problems as a result of the banking crisis? They could be forced to cut services just when they are most needed.

Kevin Brennan: It is clearly a challenging time for the third sector, and there are complex issues to address. Any Government response should be well considered, planned and executed. The hon. Gentleman will know, because the Prime Minister, in last week's Question Time, answered his question by saying that the Government were considering a number of measures in response to the third sector, given the economic circumstances. I can confirm that the Office of the Third Sector within the Cabinet Office is working closely with Treasury officials to develop a package of support measures for charities that will be outlined later this month after the pre-Budget report. I can also confirm that I will be co-chairing a sector-wide summit with the National Council for Voluntary Organisations on 24 November.

Voluntary Organisations (Disabled People)

2. **Julie Morgan** (Cardiff, North) (Lab): What recent discussions he has had with voluntary organisations on working with severely disabled people. [234795]

The Parliamentary Secretary, Cabinet Office (Kevin Brennan): I meet with representatives of a wide range of voluntary organisations in my capacity as Minister for the Third Sector, including those from many excellent organisations who work with and on behalf of disabled people with a range of impairments. For example, just last week I met John Knight of Leonard Cheshire Disability to discuss issues related to disabled people.

Julie Morgan: I [illegible]y hon. Friend for that reply. Is he aware of the p[illegible]ering work of the Touch Trust, of which I am a patron, which was started by my constituent, Dilys Price? The trust works with people with profound disabilities—many of them cannot walk or speak, and also have profoundly challenging behaviour. Does he agree that voluntary bodies are often the best at starting off charities, as my constituent did, and that Government agencies should give them as much support as possible?

Kevin Brennan: I commend my hon. Friend for her patronage of that charity and, in fairness, all hon. Members who support charities in their local areas. I know of the work of the Touch Trust, not least because my hon. Friend is also my constituency neighbour in Cardiff. I am familiar with both the work of the trust and the work that she does with it. Such organisations often bring a special, personal and local perspective to issues such as working with disabled people.

Michael Fabricant (Lichfield) (Con): The Minister will be aware of the valuable work done by Voluntary Service Overseas with able-bodied and disabled people, but what steps can his Department take to stop what is in effect a fraud? Private companies attract money from individuals to send them on trips abroad. Those individuals think that they will be doing valuable work, but it turns out that they are on some sort of glorified holiday. It is not the intention of those people to go on glorified holidays; they want to do valuable work. In effect, they are defrauded of their money. Meanwhile, disabled people who could be getting help are not getting it.

Kevin Brennan: I would not wish to belittle voluntary work overseas, and I assume that the hon. Gentleman is not referring to taking the shadow Front-Bench team to Rwanda, which I understand is part of its plans. Many people want to make a positive contribution, and we should welcome that. If the hon. Gentleman has any particular evidence of the fraud and mis-selling that he described, I would be grateful to see it and take the matter up with my colleagues.

Mrs. Betty Williams (Conwy) (Lab): As my hon. Friend represents a Welsh constituency, I am sure he will be aware of the excellent work done by Mencap Wales. Does he agree that there is still a lack of understanding among some Government agencies of what learning disability means? There is a long way to go before those agencies and the public at large understand about the type of work that Mencap Wales carries out, and about learning disabilities.

Kevin Brennan: I commend my hon. Friend for the work that she does with Mencap Wales, and I commend Mencap's work more broadly across the UK. As part of our public service agreement with the social exclusion taskforce, we have been trying to help socially excluded adults. We have ensured that people with learning difficulties are one of our target groups, for the very reasons that my hon. Friend gave. I hope that, in driving that message across government, we will overcome some of the problems of the past that she outlined.

Alistair Burt (North-East Bedfordshire) (Con): One of the observations made in last year's report by the Commission on the Future of Volunteering was that volunteers—for example, people who deal with the disabled—often found that those in statutory agencies had poor training in how to work with them. That was a source of great concern and annoyance to them. Have the Government made any progress on dealing with that problem, and on creating greater training opportunities for those in statutory agencies to work more effectively with volunteers?

Kevin Brennan: Yes, and we are investing in training not just for the volunteers themselves, but, exactly as the hon. Gentleman suggests, for those who train the volunteers. I would be happy to have further conversations with him about the details, but, following the commission that he mentioned, this is certainly a priority matter for us.

Security Breaches (Data Loss)

3. **Mr. David Heathcoat-Amory** (Wells) (Con): How many electronic breaches of security relating to information held by his Department there were in the last 12 months. [234796]

The Parliamentary Secretary, Cabinet Office (Mr. Tom Watson): I am sure that the right hon. Gentleman, as a long-serving Member of this House, will appreciate that our disclosure policy is underpinned by advice from security experts. In this area, we are advised that it is not in our security interests to confirm information regarding electronic attacks against Government IT systems.

Mr. Heathcoat-Amory: Perhaps I could inform the House, if the Minister will not, that over the past 12 months the Information Commissioner has reported 176 admitted breaches of data security by the public sector. That is a shameful record, for which the Government are responsible. Will they now abandon plans for further centralisation of personal data—either for identity cards or intercepts of e-mails and telephone calls—because the Government are plainly incapable of obeying their own laws on personal data security?

Mr. Watson: We are determined to keep the country safe and we will put in place the tools that are required to do the job. The answer to the right hon. Gentleman's question is that he knows that those data losses have taken place because we put forward a disclosure policy, which we believe is the only way to get the necessary culture change in government and in the public sector—although the problem applies to the private as well as the public sector—whereby people's personal data are treated in the same way as people's own money.

Andrew Miller (Ellesmere Port and Neston) (Lab): What has happened in respect of the training of public servants since the important reports by Sir Edmund Burton and the Cabinet Secretary? What other steps is the Minister taking to improve public confidence in the Government's handling of private data? Will he ensure that a transparent policy is adopted?

Mr. Watson: My hon. Friend is right: training is at the heart of the matter. I am informed that Her Majesty's Revenue and Customs has trained more than 90,000 of its staff in data handling. In my view, that compares very favourably to the private sector, where a recent survey showed that a third of companies do not even know when they have data losses, whereas the transparency policy that we introduced will lead to a culture change across the whole of the public sector.

Paul Rowen (Rochdale) (LD): In the light of the number of data losses from public bodies, will the Minister consider increasing the penalties for those who mishandle our data, so that they begin to appreciate just how important it is that private and personal data should be treated as such—and not in the offhand way of many public bodies in the past?

Mr. Watson: I understand the hon. Gentleman's point. The Walport review has looked into the matter and will be reporting back to the House in the months to come.

Mr. Francis Maude (Horsham) (Con): The Cabinet Secretary's report on data handling and security, which was published back in June, admitted that urgent action was needed to improve data security across the Government. Three years earlier, back in 2005, the Walport report, which came from the Government's own Council for Science and Technology, had already recommended a series of changes to Whitehall practice in order to protect people's personal data. Why did the Government not even bother to respond to the report, let alone introduce any of its recommendations for action, which were proposed three years ago?

Mr. Watson: The right hon. Gentleman and I have rehearsed this argument over a number of months. The Government have put in place a series of strong measures to tighten down on data loss, which I think compares favourably to measures in the private sector. We do penetration testing from user-friendly hackers; we restrict access to removable electronic devices; and encryption is now the norm. I say again that, compared to the private sector, where a third of companies do not even know when data loss has happened and 60 per cent. refuse to tell their customers when there has been one, we are leading the way in the public sector. I know that one of the right hon. Gentleman's second jobs is as a banker—banks are notorious for not revealing data losses—so I hope that he is not trying to set one rule for the public sector in his day job and another rule for the private sector in his secondary-income job.

Mr. Maude: I remind the Minister that his responsibility is for data security across government. He will know that one of the recommendations—or, rather, requirements—of Sir Gus O'Donnell's report was for all Departments to introduce privacy impact assessments so that threats to data security could be considered properly. Why, then, has the Home Office refused to provide such an impact assessment for the identity cards project, why has the Department of Health refused to draft one for the NHS Spine project, and why has the Department for Children, Schools and Families refused to provide one for the ContactPoint children's database? How can we trust the Government to protect the privacy of law-abiding citizens when they systematically ignore their own requirements?

Mr. Watson: We have achieved a staggering amount of progress in making data safe in government. We are changing day by day, and thousands of people have been involved in the training project. I ask the right hon. Gentleman to take advice from his hon. Friend the Member for Ruislip-Northwood (Mr. Hurd), who has a secondary job as a consultant for a corporate social responsibility firm that trades under the maxim "Public reporting has become fundamental to a company's trustworthiness"—

Mr. Speaker: Order. The Minister is not responsible for these matters.

Power of Information Taskforce

4. **Mr. Jim Cunningham** (Coventry, South) (Lab): What recent progress the Power of Information Taskforce has made; and if he will make a statement. [234797]

The Parliamentary Secretary, Cabinet Office (Mr. Tom Watson): The Power of Information Taskforce was set up in April to embrace Web 2.0 technologies. In particular, we look into how we can encourage people to innovate

with non-personal information, and how government can take part in online conversations in the public services.

Mr. Cunningham: Given that the west midlands leads the way in digital technology, what is the taskforce doing to develop that technology, particularly to assist public services?

Mr. Watson: My hon. Friend is right. A number of agencies in the west midlands pioneer digital technologies. I commend to him the taskforce's Show Us a Better Way competition; he can type "Power of Information Taskforce" into any search engine to find the details.

We believe that citizens can help the Government to design public services in a better way, and that co-production is the way forward. So far, 450 people have entered the competition, and I am pleased to say that it has been a tremendous success. People as far away as the United States of America, India and Australia have followed our example.

Mr. Mark Todd (South Derbyshire) (Lab): Reports have repeatedly shown that Government data provide a valuable base for added-value product development in the private sector, and that regulating private sector providers appropriately, educating them better on the assets that they hold and a more liberal approach will build new business. Does my hon. Friend agree?

Mr. Watson: I entirely agree. There is no doubt that our advance towards freeing up data and making existing public sector information more accessible to our digital entrepreneurs enables them to add value to the United Kingdom economy, and I hope very much that Government policy will take us in that direction.

Mr. James Gray (North Wiltshire) (Con): I am glad that the Government have a Power of Information Taskforce, but does the Minister agree that, in addition to power, great risks are involved in the holding of too much information electronically?

In his answer to my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory), the Minister said that he could not possibly announce the number of electronic security breaches, but then went on to say how proud he was of having been so open and transparent about the issue. Will he now undertake to inform the House every time that there is a such a breach?

Mr. Watson: I do not think it would be helpful to reveal to the hon. Gentleman the nature of the attacks that are made on Government IT systems, although I can assure him that they are investigated thoroughly. When it comes to changing the culture, it is important for us to reveal incidences of data loss so that the public and private sectors can learn from the mistakes that have been made. I remind the hon. Gentleman that the Power of Information Taskforce deals only with non-personal data.

People Trafficking

5. **Mr. Anthony Steen** (Totnes) (Con): What discussions he has had with the Home Office on support for third sector organisations in dealing with the social exclusion of trafficked persons. [234798]

The Parliamentary Secretary, Cabinet Office (Kevin Brennan): The Office for Criminal Justice Reform in the Ministry of Justice and the Home Office are currently in the process of tendering for an experienced third sector partner to deliver supported accommodation and advocacy to adult victims who have been trafficked for sexual exploitation and/or domestic servitude.

Mr. Steen: As the Home Office is closing down the country's largest dedicated police unit dealing with human trafficking, there is a real fear that the Government will ratify the Council of Europe convention on action against trafficking in human beings to the minimum standards. Will the Minister therefore involve the third sector, which has experience of the subject and gives extremely good value for money—I am thinking of organisations such as ECPAT, the Helen Bamber Foundation, Anti-Slavery and the POPPY project—to ensure that victims, and victims alone, are at the centre of the process of implementing the convention?

Kevin Brennan: The hon. Gentleman is wrong to say that any such project is being closed down. He might be referring to the Metropolitan police trafficking team, to which pump-priming was provided, including £700,000 in the current financial year out of a total grant of £1.678 million. That is pump-priming money, and the Met have not yet made a final decision on it. I can confirm that the Home Secretary indicated in January that we will ratify the Council of Europe convention by the end of the year, and I make it clear that we are on track to do so.

Keith Vaz (Leicester, East) (Lab): Of course we will welcome ratification when it comes. As the Minister may know, the Select Committee on Home Affairs is inquiring into human trafficking. One of our concerns is the lack of co-ordination on a policy basis between voluntary projects in this country and in other countries, such as the origin, transition and destination countries. Will he ensure better co-ordination between the third sector organisations in countries affected by human trafficking?

Kevin Brennan: My right hon. Friend makes a very important point. Obviously, what third sector organisations can do in this country about trafficking is important, but it is also important to be able to deal with the problem at source. I look forward to seeing the outcome of his Committee's report.

Mr. Peter Bone (Wellingborough) (Con): Would the Minister like to think again about the answer that he gave my hon. Friend the Member for Totnes (Mr. Steen), because the Metropolitan police are closing that human trafficking unit? Will the Minister get in touch with his colleagues and get up to speed?

Kevin Brennan: My understanding is that the Met are reviewing the most efficient and effective way of using their resources to ensure that their future operational response has the right resources in the right place to investigate criminals at all levels of operation and to bring them to justice. As I say, it is not a case of cutting anything; the funding that has gone into that particular unit has always been pump-priming.

Chris McCafferty (Calder Valley) (Lab): Many trafficked young women become pregnant as a direct result of enforced prostitution. Does my hon. Friend agree that compulsory and comprehensive sexual health education is vital to help all young women to protect themselves, especially those who are most vulnerable?

Kevin Brennan: My hon. Friend is absolutely right, which is why I welcome the recent announcement made by the Department for Children, Schools and Families. Teenage pregnancy and social exclusion are big problems for young women in particular communities, and the key to tackling them is to build aspiration and have early interventions, such as the family nurse partnerships and family intervention projects, which have been pioneered in the Cabinet Office.

Public Relations

6. **Mr. Andrew Robathan** (Blaby) (Con): How much was spent by the Government on public relations, advertising and marketing in (a) 1997 and (b) 2007 according to figures held by the Central Office of Information. [234799]

The Minister for the Cabinet Office (Mr. Liam Byrne): The relevant figure for 1997 was £81 million and the relevant figure for 2007-08 was £265 million.

Mr. Robathan: By a quick bit of maths, I make that a threefold increase over the past 10 years. A great deal of that money has been completely wasted on spin and Government propaganda. Every household in this country is having to cut back on its spending, so will the Government pledge to cut back on this wasted spending on Government propaganda?

Mr. Byrne: This Government are proud of the extra help that they have put in place for families and businesses in this country. In tough times, that real help will make the world of difference, and now is not the time to keep it secret—it is the time to tell people about it. The Conservative party must come a bit cleaner than it has so far. It must tell us which of the recruitment campaigns for the armed forces and for teaching staff it will shut down, and which public health campaigns and road safety campaigns it will shut down. Those campaigns make a real difference, and the Conservatives, in their desperate search for money for tax cuts, could do a lot of damage to this country.

Skills Shortages

7. **Mary Creagh** (Wakefield) (Lab): What steps he is taking to address skills shortages in the third sector; and if he will make a statement. [234800]

The Parliamentary Secretary, Cabinet Office (Kevin Brennan): Recently, I was pleased to announce, jointly with the Department for Innovation, Universities and Skills, a new third sector skills body to ensure that the skills system meets the needs of the third sector that will receive £2.5million in funding to March 2011.

Mary Creagh: I thank my hon. Friend for that reply. The key to the success of any organisation is the quality of its management and accounting staff. What can my hon. Friend do to ensure that those in a management or accounting capacity in the voluntary sector are given access to high-quality, low-cost training in that regard?

Kevin Brennan: My hon. Friend is absolutely right to say that one key area where there is a shortage of skills in the third sector is in management capacity. That is why the Office of the Third Sector is investing in such training and why we set up the new training body, which has been broadly welcomed across the sector. I look forward to the work that it will undertake to try to improve the sort of management skills that my hon. Friend has rightly outlined as a key need in the third sector.

PRIME MINISTER

The Prime Minister was asked

Engagements

Q1. [234808] **Richard Ottaway** (Croydon, South) (Con): If he will list his official engagements for Wednesday 12 November.

The Prime Minister (Mr. Gordon Brown): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Richard Ottaway: The Prime Minister will be painfully aware that since the 1930s, no Labour Government have left office with unemployment lower than when they entered office, and usually after a recession. Will his Labour Government be any different?

The Prime Minister: We have created 3 million jobs in the last 10 years, and even with the rise in unemployment, it is lower than having 3 million unemployed under the Conservatives. We never said that unemployment was a price worth paying; it was the Conservatives.

Phil Wilson (Sedgefield) (Lab): Paul Krugman, who has recently won the Nobel prize for economics, has said that people

"ask what I think should be done about the financial crisis."

He said:

"The answer is, what Gordon Brown is doing in Britain".

If the rest of the world is following Britain, will my right hon. Friend tell the House where that will leave those at home who oppose the action that we are taking to give the economy the boost it needs?

The Prime Minister: Let me congratulate Mr. Krugman on his Nobel prize. I think that people are beginning to understand around the world that we are dealing with a new situation of lower inflation next year, a downturn and a credit crunch. That requires very special measures to deal with unprecedented circumstances. I believe that around the world there is now increasing support for the policy that we have put forward, in addition to the recapitalisation of the banks, and that is a fiscal stimulus to back up interest rate cuts. While the Conservatives say that that is unacceptable to them, it is now happening

in Germany, France, Spain, Australia, China and America. It is about time the Conservatives entered the real world.

Mr. David Cameron (Witney) (Con): Only this Prime Minister could be quite so smug on the day that 140,000 people have lost their jobs. Before turning to the economy, however, I want to ask the Prime Minister about the tragic death of Baby P. That happened in the same children's services department that was responsible for Victoria Climbié. Yet again, nobody is taking responsibility and nobody has resigned. Does the Prime Minister agree that the Haringey inquiry is completely unacceptable? It is being led by Mrs. Shoesmith, who is the council's own director of children's services. Does the Prime Minister agree that she cannot possibly investigate the failure of her own department?

The Prime Minister: Let me say first—I believe that I speak for the whole country—that people are not only shocked and saddened but horrified and angered by what they have seen reported about what happened to an innocent 17-month-old boy. Every child is precious and every child is unique. Every child should have the benefit of support and protection both from their parents and from the authorities.

The tragedy that has arisen from the violence and torture of a young child, where three have already been found guilty, raises serious questions that we have to address. The first set of questions is being addressed by Lord Laming, who is now looking at social service protection for children in every part of the country. He carried out the Victoria Climbié inquiry, and I believe that his recommendations were accepted by all parties in this House as being necessary. He will now look at what at what needs to be done.

The second issue is in Haringey itself. There has been a serious case review, and the executive report already says that there have been failings and weaknesses in the system. The full report has now arrived with the Children's Secretary this morning. It is now for the Government to take action, and we will make a decision about what procedures and processes we will adopt in relation to Haringey. I believe that that is the right thing to do—both a national review, and local action.

Mr. Cameron: Let me ask the Prime Minister again about the local review. Sharon Shoesmith, who is carrying it out, said—*[Interruption.]* Hon. Members should worry about this matter, as this is a local authority that has completely failed. She said that her service had "worked effectively". Now, the Prime Minister's own Children's Minister said very recently:

"Many areas set up their safeguarding board with the local director of children's services as chair. That's something that frankly does concern me."

So let me ask again: is it not unacceptable that the person who runs the children's services department is responsible for looking into what her own department did?

The Prime Minister: The procedure that was created after the inquiry by Laming said that local authority directors of children's services and local members had to accept their responsibility. We created local safeguarding children's boards—*[Interruption.]* I am answering the questions. We did so to safeguard children in the area. When an incident like this happens, which is so tragic, a special report has to be done, which is then submitted to my right hon. Friend the Secretary of State for Children, Schools and Families. The report arrived on his desk this morning. We already have the executive summary that was published yesterday and which identified weaknesses in the system. A decision will be made about what to do in relation to Haringey and what procedures need to be followed. I believe that there was all-party support for the Laming report when it was done, and that this is the right way forward.

Mr. Cameron: I asked a straightforward question and have got absolutely no answer. Just on the most basic—*[Interruption.]*

Mr. Speaker: Order. Please allow the right hon. Gentleman to be heard. It will not do for us to shout across the Chamber after this terrible news has come to us. It is best to let the right hon. Gentleman speak—*[Interruption.]* Order. I have made a decision and no one will defy the Chair.

Mr. Cameron: I tell you what is shameful, and that is trying to shout down someone who is asking reasonable questions about something that has gone wrong. Let us be honest: this is a story about a 17-year-old girl who had no idea how to bring up a child. It is about a boyfriend who could not read but who could beat a child, and it is about a social services department that gets £100 million a year and cannot look after children. That is what this is about.

In the case of failing schools, we take them over. In this department in Haringey, one in four positions for social workers is completely vacant. It does nothing to help struggling local schools that are failing, and another child has been beaten to death. I do not expect an answer now, because we never get one, but will the Prime Minister at least consider whether the time has come to take over this failing department and put someone in charge who can run it properly for our children?

The Prime Minister: I think that we are both agreed that this is a tragic and serious loss of life that has got to be investigated properly so that all the lessons can be learned. I think that the right hon. Gentleman would agree that appointing Lord Laming to go around the country and look at what is happening in each area so that we are assured about what is happening is the right thing to do. I think that the right hon. Gentleman has to accept that the executive summary, which has already been published, from the inquiry done in Haringey shows that weaknesses exist. There is an admission of weaknesses that have to be addressed. We have received the full report this morning, and we will act on it quickly. We will do it in the right way so that we come to the judgments that are necessary to protect children in the future. I regret making a party political issue of this matter—*[Interruption.]* I do regret that, because I think—*[Interruption.]*

Mr. Speaker: Order. The Prime Minister is in order.

The Prime Minister: I think that the whole country shares the outrage, wants to see action and will support the action that is taken both nationally and in relation to Haringey.

Mr. Cameron: I think that what the Prime Minister said just now was, frankly, cheap. I am not making—*[Interruption.]* I asked some perfectly reasonable questions about a process that is wrong, and I would ask the Prime Minister to withdraw the attack that that was about party politics.

The Prime Minister: I am absolutely clear about this. There is common ground on both sides of the House, and we should maximise our agreement on these issues about this very sad and tragic case. We have immediately taken action to set up an independent inquiry under Lord Laming, who has a great deal of expertise in this issue, and I believe all people will support it. Action will be taken in relation to Haringey, because we have just received the full report and the executive summary has already identified the weaknesses. We have acted immediately after the end of the court case, and we will continue to take action, because what really matters is the protection of young children in every part of the country.

Mr. Cameron: You accused me of party politics about this—*[Interruption.]* My apologies, Mr. Speaker; he accused me of—*[Interruption.]*

Mr. Speaker: Order. I appeal to the House again: it is not good, at a time when we have heard this news about a little child who has gone before us, that we should be shouting across the Chamber. Let the Leader of the Opposition speak, and also—*[Interruption.]* Well, if the Leader of the House lets me do my job, she can do her job. Let the Leader of the Opposition, and also the Prime Minister, speak.

Mr. Cameron: The Prime Minister accused me of playing party politics. I did not mention who runs this council—I did not mention who ran it when Victoria Climbié was tragically killed—and all I am asking is that the Prime Minister withdraws his accusation that I was in any way playing party politics, and not asking a perfectly reasonable question about a tragic case. I was putting to him a point made by his own Children's Secretary, so I ask the Prime Minister one more time: please just withdraw the accusation that I was playing party politics, because he knows I was not.

The Prime Minister: I think the whole House will now want to find unity around these three things: first, this tragic incident must be investigated in every possible way; secondly, the Lord Laming review is the right inquiry to have; and thirdly, now that the full case review has arrived with the Children's Secretary, he will take the necessary action. I hope the whole House can agree that these are the right things to do, and we are doing the right things to get the right answer.

Mr. Cameron: Obviously the Prime Minister does not feel able to withdraw what he said. Let me ask him one more time about the central point, which does not apply only in Haringey, but may well be a problem elsewhere, as his own Children's Minister has said. We have a system that allows directors of children's services to examine the conduct of their own department. That is wrong in every other walk of life. It must be wrong in social services, where we are dealing with the most difficult and sensitive decisions. Will he at least take away what his children's spokesman has said, and say, "You should not investigate your own conduct"? It is simple: give a pledge.

The Prime Minister: The report that will be done will be independent. The local safeguarding children's board has a responsibility to co-ordinate safeguarding action for children. The Lord Laming report will be independent. It will be conducted in such a way that it reviews the findings since the Victoria Climbié case. I am sorry that the right hon. Gentleman does not recognise that we have taken action immediately after the court case. We have set up an independent inquiry under Lord Laming. The report on the case review itself has arrived just this morning. That report will be acted on immediately. Surely it is in the interests of all of us to think of a young child and what we can do to make sure that this never happens again.

Lynne Jones (Birmingham, Selly Oak) (Lab): Consumer Focus has criticised the strategy of the Department for Work and Pensions on the replacement of the Post Office card account as being too narrowly focused on delivering an almost identical product at lower cost, rather than on the needs of Post Office card account users and the innovations that can meet those needs. Will my right hon. Friend ensure that priority is given to the needs of Post Office card account users, and that the opportunity of replacing the account is taken to improve on social inclusion, rather than the reverse?

The Prime Minister: I am grateful for what my hon. Friend says. I know that concern has been expressed by the whole House about the future of the Post Office card account. We are looking at these matters very carefully indeed. The Secretary of State for Work and Pensions will make a statement in due course.

Mr. Nick Clegg (Sheffield, Hallam) (LD): Week after week, I have called on the Prime Minister to cut taxes to give help to people on low and middle incomes, and he is now raising expectations that he will do just that, but why should anyone believe him? This is the Prime Minister who will not take responsibility for people losing their jobs, but did take credit for a bank rescue plan that he copied. This is the man who doubled the tax rate for 5 million of the poorest people in the country, and called it a tax cut. When it comes to taxes, he may pretend that he is Robin Hood, but he is no more than a petty pickpocket. People do not need more cynical tinkering. What people need are tax cuts that are big, permanent and fair.

The Prime Minister: If we had listened to the Liberal party's advice, we would be cutting public expenditure by £20 billion this year. That is not the policy that I believe it is right to follow. I hope that, on reflection, the right hon. Gentleman will support not only the recapitalisation of the banks, but the fiscal and monetary stimulus that ought to be co-ordinated worldwide, and ought not to be happening just in one single country. It

is the ability of countries to work together and to co-ordinate that work worldwide that I think will be important to recovery in every country.

Mr. Clegg: The Prime Minister can misrepresent me all he likes, but he needs to get on and represent the millions of British families who are suffering under his unfair tax system. Right now, millionaires pay less than half the tax that they should on their capital gains. Top earners get an £8 billion tax bonus on their pensions. Up to £40 billion is lost in tax avoidance every year. When will he put an end to these tax breaks, and give ordinary people big tax cuts that are simple, immediate, permanent and fair?

The Prime Minister: First, we have raised capital gains tax from 10 to 18 per cent. Secondly, we have closed tax loopholes and continue to do so in every Budget. Where they are found, we take action when it is necessary. Thirdly, I come back to the point: what sort of stimulus to the economy would it be to cut £20 billion of public spending at the moment?

Mrs. Claire Curtis-Thomas (Crosby) (Lab): A few weeks ago in this House, the Chancellor of the Exchequer announced that the Government's major contractors would be paid within 10 days. Unfortunately, that fantastic undertaking has not been passed on to the smaller contractors who work for the larger suppliers. That has meant that my constituents have gone belly-up, even though they have done work for the Government. My right hon. Friend the Chancellor invited me to go to Lord Mandelson and ask him for an appointment to discuss the issue. That offer has now been withdrawn by Lord Mandelson, but my constituents still wish to meet him to discuss this important matter. Will the Prime Minister do all that he can to make Lord Mandelson change his mind?

The Prime Minister: I know that the Secretary of State for Business, Enterprise and Regulatory Reform is happy to meet my hon. Friend to discuss the issues.

Q2. [234809] **Bob Russell** (Colchester) (LD): For almost 200 years, the Gurkhas have served in the British Army with loyalty and distinction. Last Tuesday, a Gurkha was killed in Afghanistan. Also last Tuesday, the Home Affairs Committee resolved unanimously to call on the Government to allow those Gurkhas who retired before 1997 the right to live in this country, just as those who have left the Army since 1997 can. Will the Prime Minister take the necessary action, particularly in light of a High Court judgment on this matter in September, to allow Gurkhas who retired pre-1997 to live in the UK?

The Prime Minister: The High Court judgment is being examined by the Home Secretary. There are a number of cases in which people have applied to come into the United Kingdom. Those issues are being reviewed by the Home Secretary now. We have always been clear that where there is a compelling case, soldiers and their families should be considered for settlement. However, in the light of the Court's ruling, we are now going to revise and publish new guidance in the near future. We pay tribute to the Gurkhas, who have fought for the United Kingdom for two centuries. They have served in conflicts throughout the world. They are operating in Iraq and continue to serve with great distinction in Afghanistan. Gurkhas who have served after 1997 have the ability to come into this country, and we are now reviewing the situation that has arisen because of the judgment.

Q3. [234810] **Helen Southworth** (Warrington, South) (Lab): Friday is world diabetes day, and next week schoolchildren with diabetes will come to Parliament to seek our support. Will the Prime Minister ensure that they get every bit of help that they need at school to manage their diabetes effectively so that they can take up every opportunity that education offers?

The Prime Minister: The Government are committed to improving the quality of diabetes care, and as my hon. Friend said, world diabetes day is on Friday 14 November. We understand particularly that some children have difficulty getting access to the diabetes care and support that they need at school, and a working group has been set up to look at the issue. The group includes parents of children with diabetes, and various organisations, including Diabetes UK and the Royal College of Surgeons. The Department for Children, Schools and Families is in close liaison with the Department of Health and has given guidance on managing medicine in schools and early years learning, and that is what we will continue to do to help diabetes sufferers.

Angus Robertson (Moray) (SNP): President-elect Obama showed excellent political judgment by opposing the Iraq war, in contrast with the Prime Minister, who supported and funded it. Notwithstanding the excellent work of the troops on the ground in Iraq today, I ask: when will they come home and when will we have the inquiry into the war?

The Prime Minister: Iraq is now a democracy where it was not a democracy under Saddam Hussein. Children are now going to school, health services are being provided and economic development is moving forward in the Basra area, where our troops are best represented. We are now training thousands of Iraqi soldiers so that they can take on the task of defending Iraq itself, and we are also training thousands of policemen and women for the area. When the tasks of training are completed, we will have a fundamental change of mission, which will be similar to the relationship that we have with other countries, and I believe that we are making great progress in doing so.

Q4. [234811] **Mr. Andrew Dismore** (Hendon) (Lab): I am sure that my right hon. Friend is aware of today's lobby by firefighters about the alarming number of deaths on duty. In the past five years, 22 firefighters have died, including 13 who were killed at fires. Does my right hon. Friend agree that lessons must be learned nationally to improve safety, training and emergency planning, so that firefighters, like everyone else, can expect to return home safe and sound at the end of their shift? Will he meet firefighters and bereaved families to discuss those concerns in more detail?

The Prime Minister: I am sure that the whole House will want to pay tribute to the work and the dedication of the fire services and the rescue services in our country,

and to acknowledge our debt of gratitude both to those who risk their lives and to the many who have lost their lives in service. These people play a vital role in protecting our communities, and I am sure that our ministerial colleagues will be happy to meet the delegation.

Q5. [234812] **Charles Hendry** (Wealden) (Con): The Prime Minister will be aware that people applying for a Warm Front grant to replace a central heating boiler that is broken are now being told that they will have to wait until March next year to have a new one installed, because of Government spending cuts. Does the Prime Minister agree that it is completely unacceptable, bordering on the inhumane, that some of the most vulnerable people in our society should have to exist without heating this winter because they cannot get help from a Government scheme that is intended to help them?

The Prime Minister: I think that we have just increased the amount of help that is available for the programme that the hon. Gentleman talks about. It is called Warm Front, and we are doing what we can to help. We have the biggest insulation and draft-proofing programme that the country has seen, and it has been funded by a levy of £900 million, which the utility companies have paid for. I hope that he agrees that we are doing more than ever to help people in conditions where they want either draft-proofing or insulation, and I shall look at what he says about the Warm Front operation in his area.

Liz Blackman (Erewash) (Lab): In this economic downturn, is it not a good thing that Members from all parts of the House are urging small firms to take advantage of the small business rate relief, especially given that the Leader of the Opposition voted against the measure in the first place? Is that not another example of the Tories following the Government's lead?

The Prime Minister: Helping small businesses through this difficulty is one of the prime concerns that have led us to recapitalise the banks and to insist that lending be resumed to small businesses in our country. That is the central problem that we are addressing at the moment. There is a promise from the banks that have received money from us that they will maintain the advertising and availability of lending at the 2007 level. We met small businesses with the banks yesterday, and more work will be done on the matter. It is the essential element in making it possible for small businesses to have the cash flow that they need.

Q6. [234813] **Greg Mulholland** (Leeds, North-West) (LD): On 26 November, Terry Pratchett, who has Alzheimer's disease, and representatives from the Alzheimer's Research Trust will present a petition to No. 10 Downing street describing the Government's funding of dementia research as "appalling"—it is just 3 per cent. of the medical research budget—and asking for an increase. Will the Prime Minister meet me, Terry Pratchett and experts from the Alzheimer's Research Trust to discuss the issue?

The Prime Minister: Of course I will be happy to meet the hon. Gentleman, but I have to say that we have set aside £15 billion over the next 10 years for the priorities of medical research, which include cancer, Alzheimer's and Parkinson's. I believe that the extra, additional money that we will spend on research in the next few years will help the sufferers of that terrible disease.

Q7. [234814] **John Battle** (Leeds, West) (Lab): At times of financial pressure, it is the poor who pay the highest price. Will my right hon. Friend get the Government to get the regulators of the financial industries seriously to consider capping at 30 per cent. the interest rates of doorstep lenders and others who charge the poorest most? At the same time, that would give a real boost to credit unions, which give a practical, local alternative.

The Prime Minister: I agree with what my right hon. Friend says about credit unions. As we announced yesterday, the Government will work with the credit card industry to establish clearer rules and principles and bring forward a statement of best practice about how it will apply fair principles to existing debt. The Secretary of State for Business, Enterprise and Regulatory Reform and his Department are in discussion with the industry about how we can help people who are facing difficulties with credit cards.

Q11. [234818] **Mr. James Arbuthnot** (North-East Hampshire) (Con): The Prime Minister has just said that the Secretary of State for Work and Pensions will make a statement in due course about the Post Office card account. Does the Prime Minister recognise that to local communities, local post offices are vital? These are small businesses that, particularly now, need exactly the sort of help that people have been talking about. Does the Prime Minister agree that the best way of helping these small businesses would be to award the Post Office card account contract to Post Office Ltd—not in due course, but today?

The Prime Minister: I know about the interests that people have in the future of the Post Office credit account, but the right hon. Gentleman must also remember that we are putting £2 billion into the post office network over the next three years. I thought that he would be appreciative of the fact that, given that we have given £2 billion in support in previous years, and are giving an extra £2 billion in the next three years, we are doing everything that we can to support the post office network.

Q8. [234815] **Mr. Andy Slaughter** (Ealing, Acton and Shepherd's Bush) (Lab): Yesterday's debate showed opposition to Heathrow expansion from both sides of the House. My constituents in west London face the prospect of intolerable damage to their quality of life as a result of an aviation strategy that is many years out of date. Will my right hon. Friend ensure that the latest environmental and economic circumstances are considered before any decision is made on the third runway and mixed mode?

The Prime Minister: It was right to give the whole House the chance to debate the issue yesterday. We have said that we support in principle a third runway at Heathrow, but that is subject to being confident of meeting strict environmental conditions. Those are the conditions being reviewed by the Secretary of State for Transport at the moment.

Lynne Featherstone (Hornsey and Wood Green) (LD): I was leader of the opposition on Haringey council at the time of the Victoria Climbié tragedy, and I was told that lessons would be learned and that such a thing should never happen again. Yet it has happened again. Although I welcome the Prime Minister's announcement yesterday that Lord Laming would lead a national review of child protection services, in terms of Haringey that does not go far enough. I hear what the Prime Minister says about looking at the report, but that report will not guarantee the safety of children in my borough. I ask the Prime Minister to look at that report, but also to call for an independent public inquiry.

The Prime Minister: I am grateful for the way in which the hon. Lady has put the sets of issues that have to be addressed. The first set of issues that has to be addressed is about whether we can ensure the protection of children in all parts of the country following the Laming report after the Victoria Climbié case, and that we are determined to do. The second set of issues arises in Haringey itself, and the executive summary has already pointed to weaknesses in what is done there. The Secretary of State for Children, Schools and Families has received the report—now the full report—this morning, and he will take as quick action on that as is necessary and look at the procedures that need to be followed in Haringey itself.

Q9. [234816] **Mr. Mark Todd** (South Derbyshire) (Lab): With the pre-Budget report approaching, will my right hon. Friend be asking his right hon. Friend the Chancellor of the Exchequer to consider the merits of a fuel duty stabiliser among his measures?

The Prime Minister: I think that the judgment of the shadow Chancellor on this matter does need to be questioned. The fuel duty stabiliser would mean that petrol, which is 97p a litre now, would have to rise today by 5p, and this is certainly not the right time to penalise motorists with a rise in petrol duty. *[Interruption.]* Oh, yes—5p extra a litre; that is the Conservative policy.

Q10. [234817] **Sir Michael Spicer** (West Worcestershire) (Con): What was the economic theory behind the end of boom and bust?

The Prime Minister: I explained a few minutes ago that we have been in a world where we have had high inflation combined with a credit crunch; now we are in a world where inflation is going down, and we have a credit crunch and a downturn. That is why we need new policies to deal with the matters ahead. The unfortunate thing is that the Opposition are still stuck in the old policy that failed in the past.

Natascha Engel (North-East Derbyshire) (Lab): With the renewed emphasis on job creation, many local authorities have welcomed the financial support that the Government have provided in the form of the working neighbourhoods fund. Does my right hon. Friend think that this fund should be used to pay for town centre Christmas lights, however, as the Liberal Democrats have done in Chesterfield town centre?

The Prime Minister: The important thing at the moment is to do everything in our power to create jobs in every community, and that is what we will do.

Member Sworn

The following Member took and subscribed the Oath:

Lindsay Roy Esq., for Glenrothes.

Point of Order

12.33 pm

Andrew Rosindell (Romford) (Con): On a point of order, Mr. Speaker. Will you undertake to investigate what I feel was an appalling breach of protocol yesterday—Armistice day—when the flag of our country was not flown from all the flagpoles on the parliamentary estate, most particularly No. 1 Parliament street and Portcullis House? Will you please look into this to ensure that such a breach does not occur on Remembrance day next year?

Mr. Speaker: I, of course, want to make sure that we respect our dead, especially on Remembrance day, so I will look into this matter for the hon. Gentleman.

Interest Rates (Maximum Limit)

12.34 pm

Mr. Jim Devine (Livingston) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for a maximum limit for interest rates to be prescribed; and for connected purposes.

This Bill would cap interest rates just above the Bank of England rate for store cards, loans and credit cards. During my research on the Bill, I was shocked by the charges that store cards and credit companies make. Burtons, Dorothy Perkins or Woolworths, for example, make a charge of 29.9 per cent. With an Argos payment card, interest can go up to 222.7 per cent. Someone who spends £1,000 on a Principles store card and makes only the minimum payment will need 15 years to clear that debt. Sadly, it is not just store cards that are the problem; companies that provide loans are even more outrageous. Provident Personal Credit charges 183 per cent. APR.

Here is an example of what it means in practice. I have an excellent leaflet provided by South Lanarkshire Credit Union Network, which details exactly the consequences of a rate of 183 per cent. It identifies two characters, Mrs. Rush and Mrs. Wise. They both borrow £300—Mrs. Rush from the Provident and Mrs. Wise from the local credit union. They each pay back £9 per week. By week 36, Mrs. Wise has paid off her loan, and it cost only £12.50 in interest. Mrs. Rush has another 20 weeks of payments to make, and by week 56 has paid off her debt, but at a cost of £204 in interest.

Sad to say, Provident is not the worst in this field. Last Sunday's *News of the World* identified a company called Log Book Loans, which charges 437 per cent. APR. A person who borrowed £1,500 from this company would be forced to pay back up to £4,180 over an 18-month period. Even Log Book Loans is not top of the interest rate chargers chart. That title belongs to a company called Payday UK and Early Payday Loans, in Windsor. It charges an eye-watering 1,355 per cent. APR. Those companies specifically target workers who run out of cash before the end of the month. Those individuals have nothing to live on until the next pay day, and, crucially, they have no other means of borrowing.

What all those companies have in common is that they target people in financial difficulties who in many cases have nowhere else to go. The banks, which we have now taken partly into public ownership, are charging interest rates of 29.9 per cent. Frankly, that is totally unacceptable. My Bill would limit the interest charges at a fixed rate above the base rate set by the Bank of England. I believe that a fair rate would be 5 per cent. above the base rate. I have had a lot of cross-party support, and other individuals are a bit concerned about that level. I want to stimulate a debate, but I believe that that is what the rate should be.

It is interesting to look at what other countries do. It is reported in *The Guardian* this morning that in America the average credit charges are between 9 and 11 per cent. As the base rate has been trimmed in America, so have the credit interest rates. While carrying out my research on this Bill, I did not find one company in Britain that has cut interest rates on its credit charges or store cards—

John Barrett (Edinburgh, West) (LD): The very opposite—they have gone up.

Mr. Devine: The hon. Gentleman says that they have gone up, and that is the case. It is absolutely scandalous.

In Germany, credit interest is regarded as an abuse if a company charges twice as high as the market interest rate. In Denmark, where there is no fixed rate, a lending company was taken to court for charging 33 per cent. APR, and it was forced to reduce the rate to 16 per cent.

The time has come for the Bill. I welcome the my right hon. Friend the Prime Minister's comments at Question Time that he would bring in such companies and call them to account. I think that he should do more. We need to introduce legislation to cap interest rate charges. We need to highlight the cost to individuals of taking out a loan with the sort of companies and shops that I mentioned. We need to promote credit unions and the benefit that they bring to local communities. It is sad to report that the Scottish National party Government have abolished the ring-fenced money that the Labour-led Administration had introduced to promote and encourage credit unions. That is a disgrace.

This place needs to tell the people of Britain that, during difficult times, we are on their side, and to send the message that, during the credit crunch, it is time to crunch the credit charges.

Question put and agreed to.

Bill ordered to be brought in by Mr. Jim Devine, Mr. Mohammad Sarwar, John Bercow, Keith Hill, Mr. Brian Binley, Mark Durkan, Ms Katy Clark, Mr. Tom Clarke, John Barrett, Mr. David Anderson and Jon Cruddas.

INTEREST RATES (MAXIMUM LIMIT)

Mr. Jim Devine accordingly presented a Bill to make provision for a maximum limit for interest rates to be prescribed; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 21 November, and to be printed [Bill 162].

Business of the House

Mr. Speaker: I inform the House that a full list of selected amendments has been published.

12.42 pm

The Deputy Leader of the House of Commons (Chris Bryant): I beg to move,

That, at this day's sitting, the Speaker shall put the Questions necessary to dispose of proceedings on:

(1) the Motions in the name of Ms Harriet Harman relating to Regional Accountability, Regional Select Committees, Pay for Chairmen of Select Committees and Regional Grand Committees, not later than one and a half hours after the commencement of proceedings on the first such Motion;

(2) the Motions in the name of Ms Harriet Harman relating to European Scrutiny (Standing Orders) and Modernisation of the House of Commons (Changes to Standing Orders) not later than one and a half hours after the commencement of proceedings on the first such Motion; and

(3) the Motion in the name of Ms Harriet Harman relating to the Speaker's Conference not later than one hour after the commencement of proceedings on that Motion;

such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.

We have tried to introduce the measures as quickly as possible, partly because some of them lapse at the end of the Session and therefore need to be renewed, while others lapse at the end of the year and also need to be renewed. We wanted to ensure that that could happen on one parliamentary day.

We tabled the business motion a full week in advance of today's debate so that hon. Members could have full notice of the way in which we intended to proceed. That is earlier than we have sometimes been able to table business motions and I hope that it has assisted hon. Members.

We are keen to allow time for votes, given that there may be several this afternoon, and it would wrong for them to eat into the time allowed for debate. Consequently, we have created three discrete debates of one and a half hours on regional accountability and the various measures that need to be rolled over into the next Session

Mr. Peter Bone (Wellingborough) (Con): The Deputy Leader of the House talks about time for debate, but I do not understand how there can be time when there is already a five-minute limit on speeches if the motion is accepted.

Chris Bryant: I may be able to bind the House together by saying that, in my experience, a three-minute speech by me is just as good as a 57-minute speech.

Sir Patrick Cormack (South Staffordshire) (Con): Quite right.

Chris Bryant: Even the hon. Gentleman is with me. We have tried to allow sufficient time for debate. Several Members said that we should have more time to debate the Speaker's Conference because it constitutes a significant departure in that we have not had one for many years. Some suggested that we should take time from the

regional accountability debate and give it to the European scrutiny debate. We have tried to provide a balanced afternoon.

We have tried to restrict the business to one day because of the current economic position throughout the world and in this country, and the many requests that my right hon. and learned Friend the Leader of the House and I hear every Thursday for debates on many other subjects. For us to debate our own procedures for more than a day might be inappropriate.

Mr. Mark Harper (Forest of Dean) (Con): First, the House has not had the opportunity to debate the economic situation in Government time, so that is a poor excuse for limiting debate on these important motions. Secondly, the debate may need to be limited to one day, but the length of that parliamentary day does not need to be fixed. There is no need for the business motion to limit the length of the debates and business does not need to finish at 7 pm. We could run the debate for as long as it takes, and those Members who want to participate could stay as long as they wish.

Chris Bryant: I am not sure that the hon. Gentleman has fully understood the Order Paper. Under the statutory provisions on the Members' Fund, we may well go on beyond 7 pm, because that debate must last for one and a half hours. We have made provision to enable that to happen after the moment of interruption this evening.

These measures need to be debated and it is more important that we get on to those debates than we continue debating the arrangements for them.

12.46 pm

Mrs. Theresa May (Maidenhead) (Con): I certainly agree with the Deputy Leader of the House that it is good that the Government gave rather longer notice of the business motion than they normally do, but that is about all I can agree with. As my hon. Friend the Member for Forest of Dean (Mr. Harper) so clearly pointed out, it is no argument to use the economic crisis as an reason for restricting debate about whether we are going to spend up to £2 million of taxpayers' money on setting up eight more regional Select Committees and Grand Committees, or on whether the European Scrutiny Committee should continue to meet in private and not in public. We have not had a debate on the economic crisis in this country in Government time. I have consistently asked for such a debate, but the Government have consistently resisted that request.

The motions are significant and need proper time for debate. On the first set on regional accountability, the Select Committee's report was pushed through only on the casting vote of the Leader of the House as Chairman, but we will have only one and a half hour's debate on those motions. The issue of European legislation is of great concern to many of our constituents. Some 50 per cent. of our legislation comes from Europe, but the question of how this Parliament should examine it will be debated for only one and a half hours. Frankly, the business motion is outrageous. Far more time is needed for both those issues.

The Deputy Leader of the House also said that the Speaker's Conference is significant. If so, why does he propose to restrict debate on it to one hour? The business motion is farcical, and I urge hon. Members to vote against it.

12.47 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I share the strength of feeling of the right hon. Member for Maidenhead (Mrs. May). This motion is a complete abuse of the Government's powers. Since we came back in October, we have had days and days on which the House has finished early. We have had days and days on which we have had no votes at all, but we are still told that we do not have time to discuss amendments and new clauses to Bills, which were tabled by both Labour and Opposition Members.

Now we come to this controversial motion—the Leader of the House knew that it was controversial from the moment that the Modernisation Committee discussed it. It was only because she was lucky enough to get a new member on to the Committee the night before the issue was discussed that she even had the opportunity to use her casting vote to get it through. Colleagues want to speak on the issue of regional Select Committees.

The Deputy Leader of the House has suggested that it is relatively less important that we have time to discuss this internal business. It matters to the working of Britain's democracy whether we have regional Select Committees, how they are composed, how much travel they do and whether we should pay the Chairman; it matters whether the European Scrutiny Committee sits in private or in public; and it matters whether we have a Speaker's Conference, under your chairmanship, Mr. Speaker, about making ourselves more representative.

Those are important matters, but the Deputy Leader of the House has argued that these issues must be timetabled, because otherwise we would eat into the time for important business. He suggested that we need to debate the state of the economy, but it was my colleagues who initiated the debate on the economy on Monday, not the Government. We still have not had a debate on the economy in Government time. Wednesday is the day when most colleagues are here, so there is no reason at all why we cannot have a debate that is not timetabled to discuss such matters in turn. Some colleagues are willing to attend this place on a Wednesday afternoon and a Wednesday evening, and some colleagues do not have to disappear at 6.30 or 7 o'clock this evening to do other things.

We are willing to earn our money and do the job properly, and it is about time that the Government realised that this is the price that they will pay. They will be criticised every time they introduce business motions of this sort, because they are still insisting that the business of the House is decided by the Executive, not by Parliament. Until we get Parliament deciding Parliament's business—not the Executive, whatever party or combination of parties is in power—we will not be doing our job properly.

This is a complete abuse of the Government's powers in this place, and I hope that colleagues on both sides of the House—Labour Back Benchers and Opposition Members—will oppose the business motion.

12.50 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I rise to support what the hon. Member for North Southwark and Bermondsey (Simon Hughes) has just said. Like him, I think that this is an abuse. I think, too, that many hon. and right hon. Members are

[Mr. Douglas Hogg]

prepared to sit late tonight on a matter of this importance. After all, those of us who have been Members of the House some little time always used to be here until 10 o'clock, without particular inconvenience. It may be that people now make different arrangements or want to get to their constituencies early on a Wednesday or have pressing engagements at freebie dinners, but that is not a first priority for hon. and right hon. Members.

I want to make a few general points. First, there is a general principle that in a democratic body, Members who wish to express a view on matters of importance should be able to do so. Of course it is true that that is often a bore. Many of us are boring—*[Interruption.]* That is good of my hon. Friends, but it is also true that some of us are boring at least some of the time. However, one burden of being a Member of the House is to put up with bores.

I was on the Front Bench as a Government Whip for quite a long time. By God, it was boring, but I at least recognised that part of the process of a democratic House is to listen to views. The point has already been made that quite significant issues are being discussed in the first group of motions—I think that all the issues are significant. If one reflects just for a moment on how many right hon. and hon. Members will intervene, one sees how inadequate the time will be. There will be Front-Bench spokesmen for the two leading parties and a Front-Bench spokesman for the Liberal Democrats. Then somebody from the Modernisation Committee will be called, after which one or two illustrious parliamentarians will doubtless be called to speak. When the House has exhausted that lot, there will be very little for the rest of us, unless of course we fall into the category of illustrious parliamentarian.

Even with a limit of five minutes, which you have imposed, Mr. Speaker, very few Back Benchers will get into the debate, but if one looks at the kind of issue that will be raised in relation to the first grouping, one sees how important they are. Right hon. and hon. Members will be demanding an answer to the question, Is there a need for these regional Select Committees? Can the House staff them in terms of parliamentarians and House of Commons staff? Can the House justify the cost of £2 million or so, which is quite considerable? Will this proposal extend the powers of patronage available to those on the Front Benches? That is an important issue, because some Members will pay quite a lot in terms of their independence to sit on these regional Select Committees, and I am not sure that I want to give the Government, or even my own Front Benchers, a power of patronage.

Incidentally, if the Chairman is to be paid, that will be another significant bit of patronage available to those on the Front Bench. I ask myself, "Are those not questions that need to be ventilated by as many people as want to speak?"

Simon Hughes: I do not know whether the right hon. and learned Gentleman has seen them, but there have been two articles in the press in the last week suggesting that the new, or reinstated, Government Chief Whip would not allow Labour Members to become members of a Select Committee if they have ever voted against the Government. Therefore, the only people who would go on the Select Committee would be people—*[Interruption.]* I am not sure that there will be enough to serve all the Committees. It seems to me that that is absolutely a further abuse of the system, which we ought to discuss.

Mr. Speaker: Order. We should remember that we should be talking about how much time has been allocated to this matter, or the lack of time. We should certainly not be discussing the merits of the argument. That comes at a later stage.

Mr. Hogg: Of course I understand that, Mr. Speaker. All I was seeking to do by identifying some of the issues was to make the point that lots of right hon. and hon. Members will want to intervene on an issue of this kind. That is particularly true in relation to the European Scrutiny Committee, because whether the Committee sits in private or in public is a matter of real concern, and I am sure that lots of right hon. and hon. Members will want to intervene on it. The time limits in the business motion are simply inadequate.

Sir Nicholas Winterton (Macclesfield) (Con): Does my right hon. and learned Friend agree that the whole reputation of the House suffers if important Select Committees, when taking evidence from distinguished witnesses, are unable to achieve a quorum? That has happened on many occasions. If we are to establish another eight Select Committees, it will be even more difficult for Select Committees of the House to achieve a quorum. Talking about the House as a whole, the House itself will suffer because fewer and fewer Members will be able to attend debates. Maybe that is what the Government want.

Mr. Hogg: My hon. Friend's point is important. It is discourteous to witnesses if the Committee is not quorate. I have no doubt, too, that if we set up more and more Select Committees, or regional Select Committees, we will take away from the Chamber, which is undesirable. He and I have been in this place for a very long time, and we happen to believe that this Chamber is the main forum of debate, rather than elsewhere, although I acknowledge that elsewhere can be important.

Chris Bryant: The right hon. and learned Gentleman knows that I respect him in many regards. He also knows, as a former Whip, that as the motion has been on the table for a week, he or any other Member, including the two Front Benchers who have already spoken, could well have tabled an amendment to increase the time available for debate. I am sure that we would have listened to what they had to say.

Mr. Hogg: I have participated in many debates on timetable motions, and I have tabled amendments on occasion. I think that I can say without any fear of contradiction that I do not recall this Government, on any occasion when I have participated, extending the time available in a business motion. They have never shown any willingness to respond to Back Benchers' concerns.

Mrs. May: I apologise, but I cannot recall whether my right hon. and learned Friend was at business questions last Thursday, but I point out to him and to the Deputy

Leader of the House that my right hon. Friend the Member for North-West Hampshire (Sir George Young) raised exactly that point about there not being enough time for proper debate on the motions. It was therefore entirely open to the Leader of the House to take the view of the House from business questions and change the motion.

Mr. Hogg: I am grateful to my right hon. Friend for that intervention, because I was here when my right hon. Friend the Member for North-West Hampshire (Sir George Young) made that point. I also remember that when he made it, there was a lot of chuntering of agreement from those on the Back Benches, which should have indicated to those on the Government Front Bench that there was a lot of support for what he was saying.

Mr. Harper: The response from the Deputy Leader of the House missed the point: it is not that we want an amended business motion; we do not want a business motion at all. We want to be able to take the business until the House has finished dealing with it. The point is that this is an occasion on which the Government could have left well alone and not had a business motion at all.

Mr. Hogg: I think it is just possible that the House would rise anyway at 7 o'clock if we did not have a business motion. Probably, there is a requirement for a business motion, but it should not be time limited in this way. Speaking personally, I would hope that the House is willing to sit to at least 10 o'clock to deal with this business.

Mr. Bone: Before my right hon. and learned Friend concludes his opening remarks, will he indicate for the benefit of those such as myself how long, from his experience, this debate and each part of the individual motions might take, in order to help the House make a decision on this business of the House motion?

Mr. Hogg: Obviously I do not know how many hon. Members have sought leave to speak, but I would have thought it fair to allow three hours for the first group of amendments, with two or three hours thereafter. However, I do not know how many hon. Members wish to participate, so I cannot give my hon. Friend a sensible answer.

These are not preliminary remarks; they are concluding remarks. I therefore conclude by saying that in a democratic House we must provide ample time for those who want to participate. True, some contributions will be repetitive, some will be otiose and some will be boring, but at the end of the day, that is the nature of a democratic House and that is what we should allow right hon. and hon. Members.

1 pm

Sir Patrick Cormack (South Staffordshire) (Con): I am delighted to follow my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) and agree with everything that he and the hon. Member for North Southwark and Bermondsey (Simon Hughes) said. It is not very often that I can say that about the hon. Gentleman, but I do so willingly and gladly today.

There always has been and always will be tension between the Government and the Opposition in the House when the Executive are drawn from the legislature. When my right hon. and learned Friend sat on the Government Benches, he took a rather different view of such matters. When he was briefly and ingloriously a Whip, he was vociferous in expressing his view and expected the troops to fall into line. I think that I shall be allowed to breach this confidence after so many years, but I shall never forget the lecture that he gave to the 1922 committee on how we should behave ourselves and support the Government. I therefore obviously understand the Government's desire to push their business. However, this Government have gone more than a step too far and they are going many steps too far today. Everything that my right hon. and learned Friend said in that context was entirely right.

I am tempted—I think that I could do it—to take advantage of this motion and speak until 7 o'clock. That would test your patience, Mr. Speaker, as well as that of my colleagues, and I would have to try hard to ensure that I was in order on every particular.

Mr. Hogg: I hope that you have not had too much coffee.

Sir Patrick Cormack: I have had no coffee—indeed, I have not even had any lunch—and certainly nothing stronger. Speaking until 7 o'clock is a temptation, but one that I shall with some reluctance resist. However, it is important that we make our points forcefully.

The Government have abused their position with regard to Parliament in many ways. I have said this many times, but it is an absolute scandal that the Modernisation Committee, once created, should have become the creature of the Government, by having the Leader of the House imposed as its Chairman. That is not the way that we have decided parliamentary matters in the past. If the next Conservative Government, whom I believe will be elected at the next general election, have the lack of wisdom to keep the Modernisation Committee—I hope that they will abolish it—they should certainly not allow the Leader of the House to chair it.

The matter is brought into sharp focus today because the most controversial of the substantive motions, for which such inadequate time has been allocated today, were passed on the Leader of the House's casting vote. We then witnessed the ludicrous spectacle of the Leader of the House giving the Government's response to the report and saying that she agreed with herself. That was of course a wonderful revelation for many of us.

To allow only an hour and a half for the regional debate is utterly wrong. In your wisdom, Mr. Speaker, you have rightly decided that speeches in that debate should be limited to five minutes, because you want as many hon. Members as possible to get in. Given that restraint, I hope that all three Front-Bench spokespersons will exercise self-restraint. I hope that we will not hear a lengthy speech from the Leader of the House, my right hon. Friend the shadow Leader of the House—much as I should enjoy listening to such a speech in other contexts—or the hon. Member for North Southwark and Bermondsey. It is important that Back Benchers from all parts of the country should have an opportunity to express their views.

[Sir Patrick Cormack]

I must try not to stray and deploy arguments that I will deploy later if I have the good fortune to get five minutes. However, there are questions of manpower and staffing to be answered. There is the question of why we need Select Committees if we are also to have, in my view perfectly properly, regional Grand Committees meeting, one hopes, in the regions to which they relate and on which all the hon. Members from that region will have the right to sit. I completely agree with that, but we should be able to debate the proposal at length. We should also be able to debate whether Chairmen should be paid and whether they should all sit on the Liaison Committee, which would thereby destroy it, by making it the most unwieldy Committee that the House will ever have seen.

It is an insult to the intelligence of hon. Members and the House to say that all those issues should be debated in one and a half hours. Then we come to the other subjects that are to be discussed later. Although there might be a degree of urgency about some of them, there is not the same urgency about all of them. For instance, important as the suggestion is that you, Mr. Speaker, should chair a Speaker's Conference, we do not need to debate it until after Christmas. It could well be left to one side.

Today should have been devoted to the regional issues and without time constraints, so that we could go on until 10 o'clock. That would have meant that everyone who had a view would have had the opportunity to express it. I suspect that even then, Mr. Speaker, you would have had to limit speeches to perhaps 12 or 15 minutes. I always remember the words of a vicar friend who told me, "If you haven't struck oil after eight minutes, stop boring." That would be fair enough and would have given hon. Members from all parts of the country the opportunity to take part in the debate.

What is before us is not a programme motion; it is a steamroller motion designed to push through the Government's policy, not the House's wishes, and it is frankly appalling. In many ways, I wish that some of us had organised something of a conspiracy to ensure that we debated the issue until 7 o'clock, although it might not be too late.

Mr. William Cash (Stone) (Con): It is extremely early.

Sir Patrick Cormack: It is very early indeed.

Andrew Mackinlay (Thurrock) (Lab): I have been listening to the hon. Gentleman patiently and have some sympathy for what he is saying. However, what has happened demonstrates not only the weakness of the Government, but the poverty of the Opposition. The Opposition have been asleep when they should have been kicking up—*[Interruption.]* The hon. Gentleman shakes his head, but let me demonstrate my point. Most hon. Members I have spoken, to, Conservative and Labour, have said that they did not know that today's motions contain a provision for councillors to be co-opted on to regional Select Committees. It is the Opposition who should be providing the opposition, not me. They should have drawn attention to the issue much earlier.

Sir Patrick Cormack: But when the hon. Gentleman so regularly and felicitously provides the opposition, we are delighted to have him on side. He is extremely perspicacious and sound on most House of Commons matters. Indeed, I am delighted that he has referred to participation by local councillors, which completely changes the complexion of Select Committees, as well as the very identity of Parliament.

Mr. David Curry (Skipton and Ripon) (Con): Does my hon. Friend agree that the issue of councillors is an example of how half-baked the Government's proposal is? The councillors are to be co-opted—the motion does not say by what mechanism—but they will not count towards the quorum and will be unable to vote. We will have token councillors—husks of councillors—and for that the House of Commons is giving up control of its own Committees.

Sir Patrick Cormack: It is as if one had said that people in the Public Gallery could take part in debates in the House, or that anyone who was in a Public Bill Committee could chip in. It is ridiculous. It shows the Government's lack of appreciation of the place of Parliament and a cavalier disregard for what we are about in this place, and it is entirely at one with the cosmetic policies of the Leader of the House. She has never done anything other than pay lip service to her regard for Parliament since she occupied that position.

I can see that you are getting restless, Mr. Speaker, because I should be talking about the timing. It is wrong to have only an hour and a half when there are, as the hon. Member for Thurrock (Andrew Mackinlay) and my right hon. Friend the Member for Skipton and Ripon (Mr. Curry) have so brilliantly illustrated, issues of such substance and revolutionary changes to discuss.

Mr. Bone: As a very junior Back-Bench Member, one of the problems I have is that, when this sort of timetabling occurs, I am not able to speak on the subject. That is a matter of fact. The only way in which I am ever going to be able to speak on the subject is if the debate is extended to 7 o'clock, so that the motion lapses.

Sir Patrick Cormack: I believe Mr. Speaker, that you made the point that speeches will be limited to five minutes. I very much hope that my hon. Friend will get one of those slots, as I hope I do. That is a matter for you, Mr. Speaker. However, I take my hon. Friend's point, because it again illustrates that if there is a one-and-a-half-hour limit, we are dependent on speeches by Front-Bench Members being fairly restrained. We all know—you better than anyone, Mr. Speaker—that speeches from the Front Bench tend to be subject to interventions. That is perfectly reasonable. I would like the Leader of the House to limit her remarks to five minutes, but it is perfectly possible that she will provoke me or one of my hon. Friends—or many of them—to intervene. Before we know where we are, the Leader of the House will have spoken for 20 minutes. The shadow Leader of the House might be in the same position, having been intervened upon from the Labour Benches. That is perfectly legitimate, because it is right that those who have responsibility should be held to account at the Dispatch Box and that those who seek to challenge that responsibility from the Opposition Dispatch Box should also be able to defend their position. The same goes for the spokesman for the Liberal Democrats. He is not the shadow Leader of the House—there is only one—but

he is their spokesman on parliamentary matters, and it is important that he should be able to deploy, and answer for, his arguments.

However, all that is supposed to happen in one and a half hours. I repeat that that is appalling.

Richard Ottaway (Croydon, South) (Con) *rose—*

Sir Patrick Cormack: I will give way in a minute.

I would hope that, even at this stage, the Leader of House will give an indication, so that I can shut up and sit down, that she will withdraw the motion immediately. Why does she not do so? She would become the heroine of the House. We would all cheer her to the echo, and debate the matter. She has a once-in-a-lifetime chance for universal popularity on the Floor of the House of Commons—

Ms Harman *indicated dissent.*

Sir Patrick Cormack: And she has rejected it.

Richard Ottaway: My hon. Friend is of course drawing attention to the importance of Select Committees and Grand Committees in scrutinising legislation. However, has he considered the fact that London is not mentioned in the proposals? We could have a situation in which Scotland, Northern Ireland and Wales have Select Committees—my hon. Friend chairs the Northern Ireland Committee with distinction—

Mr. Speaker: Order. Sir Patrick does not want to do anything other than debate the timing—

Richard Ottaway: I was coming to that point.

Mr. Speaker: I know that the hon. Gentleman is coming to that point, but I am saying that he can do so when we get to the motion proper. I call Sir Patrick Cormack.

Sir Patrick Cormack: Thank you, Mr. Speaker. Of course, again, there will not be much time to make that point.

Bob Spink (Castle Point) (UKIP): Given that the people of the north-east of the country have already kicked the issue of regions into touch and that we will debate a much more substantive proposal today, does the hon. Gentleman agree that allowing one and a half hours for that debate is an insult to any concept of democracy?

Sir Patrick Cormack: Of course it is. I hoped that I had started to make that point, but I am happy to echo those sentiments. It is an insult, and we must realise that we must also debate the manning of the proposed Committees. In some regions of the country, a party is represented very inadequately or hardly at all, yet it will have to have a majority.

Mr. David Heath (Somerton and Frome) (LD): On that point, I hope that the hon. Gentleman will not limit the time available to the Leader of the House to the extent that she cannot answer one simple question on the south-west. How can it possibly be right to pack a regional Select Committee for the south-west with Members of Parliament from outside the region, and for counties within the south-west not to be represented at all because of the arithmetic?

Sir Patrick Cormack: The House ought to be discussing that at great length, because it amounts to imposing a Government majority in every part of the kingdom, even those parts that do not have or want such a majority.

Mr. Cash: Will my hon. Friend give way?

Sir Patrick Cormack: Of course I shall give way to my illustrious neighbour.

Mr. Cash: I am exceedingly glad, and thank my hon. Friend very much.

One point that we need to have in mind is that there is a motion relating to the change of Standing Orders. To apply an allocation of time motion to a motion relating to general questions is one thing; but to apply it to the Standing Orders of this House is taking the situation way beyond what is acceptable, for all the reasons given by my hon. Friend, but for many more that we will pursue for some time this afternoon.

Sir Patrick Cormack: I could not agree more. Having only five minutes to try to deploy those arguments in the forensic way in which my hon. Friend deploys them is cruelty beyond measure.

Andrew George (St. Ives) (LD): Will the hon. Gentleman also reflect on the dilemma that many Back Benchers will experience? Given that 13 Members will be seeking to catch Mr. Speaker's eye during the one-and-a-half-hour debate, there are two ways in which Back Benchers will be able to probe the issue: first, they might be called to speak, which is perhaps a forlorn hope; and, secondly, by extending the Leader of the House's speech by intervening to probe her arguments. That is clearly a dilemma, because by doing the latter, one might reduce the amount of time available to speak later in the debate.

Sir Patrick Cormack: The hon. Gentleman is quite right. I referred to the need to intervene on speeches from the Front Bench, including his own. It is important that those who espouse policies defend them properly. They cannot do so if they merely get up, read speeches and sit down. Of course, intervention is an essential part of debate.

It would be an improvement if Front-Bench speeches were excluded and if an hour and a half allocated to Back-Bench Members. I am in such a generous mood today that I will make another offer to the Leader of the House. If Mr. Speaker would accept a manuscript amendment to that effect, would she be willing to accept it? In other words, I should like her speech, that of my right hon. Friend the Member for Maidenhead (Mrs. May), which I am sure will be brilliant, and that of the hon. Member for North Southwark and Bermondsey—his might be a shade long, but I am sure it will be very good—to be exempted, so that the rest of us can have an hour and a half. If you were willing, Mr. Speaker, would the Leader of the House accept such an amendment? Ms Harman *indicated dissent.*

Sir Patrick Cormack: Good gracious. Every offer that I make on timing is spurned. I feel deeply dejected.

Mr. Harper: In his intervention on my hon. Friend, the hon. Member for Somerton and Frome (Mr. Heath) hit on another problem with the timetable motion on regional Select Committees and their composition. Of course, the political composition of each region is different. Really, we need to have a separate debate about the composition of each of the regional Select Committees, to see whether there are particular issues in regions such as the south-west, which the hon. Gentleman mentioned. In one and a half hours, the House simply is not going to get that opportunity.

Sir Patrick Cormack: That is right. Another issue that has to be debated within the one and a half hours is what happens to Members who already serve on a Select Committee, because there will have to be a degree of duplication. I have the honour of chairing the Select Committee on Northern Ireland Affairs—a task that I greatly enjoy—and I have three exceptionally good Government members of that committee from the north-east. I can well imagine the dilemma that they would face. We ought to have time to debate that dilemma, but we will hardly have time to do so because in the five minutes allocated to each speaker—properly under the circumstances—it will be difficult effectively to make more than one or two points. Apart from the remarks of the Deputy Leader of the House who, as always, introduced the motion with good humour, no one has even begun to agree that this is a proper allocation of time.

I will resist the temptation to speak for another five hours. I am almost inclined to give in to it—that, at least, would put me in the "Guinness Book of Records", which nothing else I have done in this place has so far.

Mr. Cash: On that point, my hon. Friend is tempting fate. There are some who could keep the debate going not just for five hours, but for much longer. Indeed, Gladstone spoke for six and a half hours on a Budget debate.

Sir Patrick Cormack: Well, he did have something of substance to talk about! I would not want to enter the verbosity stakes with my hon. and illustrious Friend. Perhaps we could do a charity competition on it one day, but that could hardly be in this House, because it would be for money, albeit for charity—*[Interruption.]* My right hon. Friend the Chairman of the Procedure Committee, no less, wishes to intervene.

Mr. Greg Knight (East Yorkshire) (Con): I am grateful to my hon. Friend for giving way. Does he not think that the House needs to hear more from the Deputy Leader of the House, who said a few moments ago that he was sure that, if an amendment had been tabled, the Government would have listened, showing that he was not necessarily wedded to this timetable motion. Should we not hear from him and then invite the Government to table a manuscript amendment to their own motion?

Sir Patrick Cormack: I am grateful to my right hon. Friend who, as Chair of the Procedure Committee, has a great background of knowledge in these matters. I have twice already made an offer about a manuscript amendment, but answer came there none. It is very sad indeed that the Deputy Leader of the House, having said effectively that an amendment would be accepted, has spurned by disdainful silence the two offers that have been made. Perhaps the Leader of the House would like to intervene to explain to me and my right hon. Friend the Member for East Yorkshire (Mr. Knight) what she would accept by way of amendment to this timetable motion. It is that motion that is making us very cross.

Mr. Speaker is scrupulously right to ensure that we talk about the timing, which I am trying to do, but it is ludicrous that we have until 7 o'clock to debate timing issues and only one and a half hours to debate the substance. That is a perversion of parliamentary practice.

Mr. Hogg: My hon. Friend has already made a general offer to the Government Front Benchers, but he may like to be a little more specific. I was asked how long I thought was needed. If my hon. Friend were to suggest three hours for the first group of motions, three hours for the second and two hours for the third, the Government might well find that they had the House's support. Would my hon. Friend consider putting that offer to the Government Front Benchers?

Sir Patrick Cormack: Perhaps on the basis of third time lucky, I would be willing to do so. My first suggestion was spurned; my second suggestion, to exempt the three Front-Bench speeches from the hour and a half, was spurned; I now fall back upon what I shall call the Lincolnshire amendment. As a native son of Lincolnshire, I am delighted to do that, and I very much hope that the amendment will be accepted—if only out of a sense of affection for my native county and my right hon. and learned Friend's adopted county. I thus propose three hours for the first set of motions, three for the second and two for the third. Yet again I give the Leader of the House or the Deputy Leader of the House the opportunity to confirm that they would accept such a manuscript amendment. I wait with bated breath for intervention from the Rhondda or from Peckham.

Mr. Harper: The Government do not seem to want to accept my hon. Friend's offer, but his proposed time allocation has highlighted another problem, showing that it would be much better if we ran with the mood of the House. The third part of the motion deals with setting up a Speaker's Conference—subject matter that could have the most dramatic effect on the electoral system and the composition of the House, and from which there could be some important proposals. I do not think that we should be relegating such an important issue to third place in the allocation of timing, as the House might want to spend a great deal of time thrashing out the terms of reference that it wants to give Mr. Speaker. That might well need more than two hours, so we should see how long the House wants to take.

Sir Patrick Cormack: I agree, of course, in principle with my hon. Friend. A number of hon. Members were in the House when timetabling did not exist unless a guillotine was brought in on a specific Bill and voted on by the House—a much fairer and better way of doing things. Now, before we embark on any discussion, we are told how long we have; and when a Bill goes into Committee, we are told when it will come out of Committee. My hon. Friend, as a good parliamentarian, is right: we should have an open-ended debate on these issues. The Chair always has the opportunity to accept a closure

motion—something that has been in the possession of the Speaker or the occupant of the Chair since time immemorial. That is fine and as it should be if, as my right hon. and learned Friend the Member for Sleaford and North Hykeham says, we tend to bore—although I hope I am not doing so at the moment.

Bob Spink: The hon. Gentleman is making what I consider to be a wonderful speech. May I take him back to the Lincolnshire amendment suggesting three hours, three hours and two hours? If that were accepted and we commenced the first set of provisions on Regional Select Committees at 2 o'clock, which is not beyond the realms of possibility, we could then conclude the business at 10 o'clock tonight, which does not seem an extraordinary length of time to consider three such important motions. Will the hon. Gentleman please put that suggestion again to the Leader of the House?

Sir Patrick Cormack: I am ready for an intervention by the Leader of the House at any moment. If she or her deputy would accept such a motion, debate would end, as the hon. Gentleman so rightly points out, at approximately 10 o'clock. That cannot be too late for anyone.

John Bercow (Buckingham) (Con): It seems to me that denunciation of the idea that councillors should be able to be co-opted could itself absorb a significant number of hours, because we will be creating, in my view, a wholly undesirable precedent. Does my hon. Friend agree that it would have been perfectly possible to deal with the regional accountability issues in a discrete and dedicated fashion on a day that is being used for a general debate which has simply been shoe-horned in to ensure that an otherwise incomplete day can somehow be made complete?

Sir Patrick Cormack: As always, my hon. Friend speaks—at least on parliamentary matters—a very great deal of sense, and I entirely agree with him. I cannot talk about it right now, but the concept of hybridity, which is to be transferred from Bills to Committees, is a parliamentary innovation of revolutionary proportions. That alone deserves a full day's debate.

Sir George Young (North-West Hampshire) (Con): Is my hon. Friend aware that, under the present business motion, the House could sit for long after 10 o'clock? This debate can go on until 7 o'clock; we then have an hour and a half on the next item, on which there could be seven Divisions, exempted from the time allotted; and then we go on to other matters. In that case, is not 10 o'clock actually earlier than the time allotted for debate under the Government's own proposition?

Sir Patrick Cormack: It is indeed. With the exemplary skill in these matters of which my right hon. Friend stands possessed, he has drawn attention to a logic of the position that has escaped those who do not understand logic.

Mr. Cash: My hon. Friend has spoken of the importance of parliamentary rules and the constitutional position which is being invaded by this disgraceful episode. Is he aware that in, I believe, 1886, during the enormous battles between the Irish Members and the rest of the House, the Speaker—and I say this with great respect to the present incumbent of the Chair—capitulated to an understanding arrived at between the two Front Benches that the Standing Orders, otherwise known at that time as the Speaker's Rules, should be taken away from Mr. Speaker and conferred on the Executive? A former Clerk of the House rightly said that that was the moment at which democracy in the House came under the most severe threat, and that he did not think it would return until we dealt with the problem of the Executive's having control over the Standing Orders.

Andrew Mackinlay: That Parnell has a lot to answer for.

Sir Patrick Cormack: I do not think it was Parnell in this case. I believe that my hon. Friend was referring indirectly to Speaker Gully—or would it be Speaker Brand? I think it was Brand. Anyway, one of them certainly granted a concession from which successive generations of Members of this House have undoubtedly suffered, and my hon. Friend the Member for Stone (Mr. Cash), with his grasp of the history of the last century but one—although he was not here at the time; it was his ancestor Bright who was—has done us a great service by referring to that.

Let me return to the central argument, which is that we make a mockery of this place if we do not have adequate time in which to debate important issues.

Mr. Curry: Is not one of the reasons why the time allowed is so inadequate that so much in this proposition is still unknown and unexplored? For instance, one of the motions refers to "specified elected councillors". Has my hon. Friend added up all the councillors in Yorkshire and the Humber, or in the south-east region, and wondered by what process they are to be boiled down to an acceptable number if we are not to see municipal mayhem across the land?

Sir Patrick Cormack: I know roughly how many councillors there are in Staffordshire, and I know that Staffordshire is only one part of what is called the west midlands, and I know what a terrible job it will be deciding who should represent whom from those bodies; so of course my right hon. Friend is right.

I have spoken of the need for self-denial on the part of the Leader of the House in her speech because of this ridiculous one-and-a-half-hour limit, but it really is her duty to explain to the House why all these suggestions and proposals are being made, and in doing so, she ought to be open to probing questions in intervention after intervention. I can well imagine that she herself will be on her feet for an hour and a half, and indeed it may be necessary for us to ensure that she is.

Mr. Cash: She is not doing it.

Sir Patrick Cormack: Well, if she is not doing it, at least it will be done with some jocularity by her deputy.

Mr. Cash: The Leader of the House is not doing it; the Deputy Leader of the House is doing it. As my hon. Friend rightly points out, however, the Leader of the House has a responsibility to get to her feet and do it.

Sir Patrick Cormack: Between them, they have a duty to engage in a parliamentary duet that will at least explain what all this is about.

Mr. Heath: While the hon. Gentleman is illuminating the duties of the Leader of the House and the Deputy Leader of the House, I wonder whether he is as perplexed as I am by the fact that they both have responsibilities to the House as a whole. This is not Government business; it is business of the House. Is it not odd, therefore, that the Leader of the House and the Deputy Leader are not listening to the voices of Members in all parts of the Chamber and trying to accommodate the wishes of the House, clearly expressed, by accepting one, or any, of the hon. Gentleman's proposals?

Sir Patrick Cormack: For some years, the hon. Gentleman occupied with great distinction the position now held by the hon. Member for North Southwark and Bermondsey, who has just popped out to do something or other. He has underlined the unique role—I use the word "unique" properly—of the Leader of the House. The Leader of the House is, of course, a member of the Executive, and is, of course, a leading member of the Government of the day. However, the Leader of the House also has a responsibility that transcends those party political duties.

During my time in the House, we have had a number of very distinguished Leaders of the House who have exemplified that. I think of the late John Biffen, who, in my 38 years here, was perhaps the Leader of the House par excellence; but I also think of the late John Silkin, who was a man of great probity, a learned man, and a man who, when he was Leader of the House, considered it his duty to stand up to his fellow members of the Executive to defend the rights of the House. That is something that—with great respect—the right hon. and learned Lady, the present Leader of the House, has singularly failed to do.

I do not know, of course, who insisted on the one and a half hours, but it may be that the Leader of the House was told that that was all she could have. I doubt it, because she is supposed to be in charge of the timetable, but if she was leant on, that was disgraceful, and if she did the leaning, that was even more disgraceful.

Sir Nicholas Winterton: Does my hon. Friend agree that it was wrong for the Leader of the House to impose a time limit of one and a half hours on some of the motions when she must have known that they were extremely controversial and would be strongly opposed by at least two parties in the House, and to use her casting vote in the Modernisation Committee to get the necessary resolutions through? She should have allowed more time, because she must have appreciated the controversial nature of the motions.

Sir Patrick Cormack: I entirely agree. As a fellow Select Committee Chairman, I would never, ever use a casting vote to force a measure through. Indeed, that is against the tradition of the Chair. As you know, Mr. Deputy Speaker, if there is a tie in a vote in the House and you are in the Chair, you must vote to preserve the status quo, not to bring in innovation. The rules oblige you to do that, they oblige Mr. Speaker to do that, and they oblige those of us who chair Committees as members of the Speaker's Panel to do that. I came very close to doing it on one occasion, but there was a majority of one, so I did not have to.

Those are the rules; yet what the Leader of the House has done in this instance is use a casting vote in a partisan manner, then reply to the report, and then—piling Pelion on Ossa—decide that we can have only one and a half hours in which to discuss this topic. It really is a disgrace.

Mr. Curry: Has it occurred to my hon. Friend that if the Prime Minister were aware of the timetables being imposed today, he would be very cross indeed? When he became Prime Minister, did he not spell out the extent to which the House would be given more freedom and he would take more notice of the House? Is it not inconceivable that the Prime Minister knows about this, and should not the Leader of the House telephone him and be told to stop it?

Sir Patrick Cormack: Yes, and I am happy to speak for long enough to allow the Leader of the House to go and make that telephone call. It would be right for her to do so, because, as my right hon. Friend correctly reminds the House, when the Prime Minister assumed office in June last year—17 June, if my memory serves me correctly, although it seems much longer—he said that he wanted to return Parliament to the centre of national life, and that he wanted Parliament to have a special role. Well, this does not give Parliament a special role. We have one and a half hours, Mr. Deputy Speaker, in which to discuss issues that affect, in so many minute particulars, every one of your constituents and every one of mine.

This will change the balance of representation. The hybridity of the Committees will change the nature of parliamentary Committees. How can we advance the arguments—I am rightly not allowed to advance them now, despite the fact that I have the time to do so, I would like to do so and I think that I could do so—when the debate is held, because in the one and a half hours available none of us will have the time to develop and deploy them? I hope that even at this stage and even after several offers—this is offer number five or six—the Leader of the House or her deputy will get to that Dispatch Box to say, "Look, you have made your point. It is sensible that the House should have a little more time, and we are going to give you some." Even another hour would be something.

Mr. Bone: I do not know whether my hon. Friend is being unfair to the Leader of the House and the Deputy Leader of the House. Is it not normal that these matters are discussed by the usual channels and an agreement is reached? I wonder whether one of the super-glued duo could tell us whether that was the case.

Sir Patrick Cormack: When someone talks of the usual channels, I am always reminded of Tony Benn, who said that they were the most polluted waterways in Europe. I would have hoped that the usual channels would have been flushed out for this purpose and that a proper sitting down to a discussion would have taken place. However, I infer from the remarks made by the shadow Leader of the House that no proper offer was made. She made some extremely pertinent points both

in her speech today and last week. I know that, in making these points, I carry her with me, because she sits on the Modernisation Committee and saw at first hand how this was pushed through on a casting vote. Yet, she was not asked whether an hour and a half would do or whether she would like two and half hours or three hours. When it is a House of Commons matter, not a party political one, then that, above all times, is when consultation should be undertaken.

Sir Nicholas Winterton: May I raise with my hon. Friend an important matter that emanated from an intervention by the hon. Member for Thurrock (Andrew Mackinlay)? He indicated that few Members to whom he had spoken knew the content of the Modernisation Committee's report. Is it not appropriate that the House as a whole should be made more acquainted with the dramatic changes proposed in respect of Select Committees and their membership prior to the House's reaching a decision following a debate? This matter should be brought to the attention of the whole House before we have a debate on the individual motions.

Sir Patrick Cormack: It would be a wonder to behold if every Member had read a report before it is debated. The hon. Member for Thurrock (Andrew Mackinlay) has clearly gone to phone the Prime Minister, but the point he made a few minutes ago obviously came about because he had discovered that his colleagues had not known about this proposal. To be fair, if we had met Conservative colleagues in the Tea Room, we would have probably found a similar degree of ignorance as to whether this could conceivably be done in our name—it is being done in our name.

Mr. Greg Knight: A few moments ago, my hon. Friend referred rather disparagingly to the usual channels. When the previous Conservative Government sought to change the procedures in this place—the subsequent reforms became known as the Jopling reforms—I was asked by the then Prime Minister, Sir John Major, to negotiate with the official Opposition. My instructions were, "If the Labour party does not like it, drop it." What is offensive about what we are being asked to do today is that the proposals do not come from a unanimous and united Modernisation Committee; they come from a Committee in which they were decided on the Chairman's casting vote.

Sir Patrick Cormack: Absolutely. Of course, I withdraw, without reservation and with humble apology, any aspersion that my right hon. Friend might have thought I cast on his record as deputy Chief Whip. I was not casting any such aspersion; I was merely citing one of Tony Benn's more hilarious utterances. I must remind my right hon. Friend that in the brief time when, sadly, he was absent from our company, I was part of the usual channels for a short period—three years, in fact—and, thus, I endorse absolutely what he says. I know that his remark about the Jopling proposals was true; John Major tried to operate on the basis of consensus, and to a large degree he succeeded in that regard. I also know that Select Committee reports are all the more powerful when they have cross-party support and when they are unanimous. I take great pride in the fact that my Select Committee's reports have been unanimous when we have been reporting on crucial issues—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman has been addressing the House for 45 minutes without there being a need for a touch on the tiller. Perhaps that moment has now arrived, because I detect a certain amount of repetition and a tapping into the seam of history, and I think I ought to direct him back to the substance of the procedural motion before the House.

Sir Patrick Cormack: Of course, from time to time, we are all led astray, Mr. Deputy Speaker, but when one is led astray by the Chairman of the Procedure Committee, perhaps the temptation is forgivable—

Mr. Deputy Speaker: Order. Perhaps one of the most worrying things that the House has heard today is that the hon. Gentleman could be led astray.

Sir Patrick Cormack: Mea culpa, many times, Mr. Deputy Speaker.

I have been trying reasonably hard to relate my remarks to this appallingly short space of time that we are being given to debate these crucial issues, and I think that I have generally done so accurately.

Mr. Harper: I listened carefully to Mr. Deputy Speaker's admonition, so this relates directly to the time available for this debate. The only Member to raise the issue of the potential costs of the measures was my right hon. Friend the shadow Leader of the House. We are facing great economic challenges, and the memorandum prepared by the Management Board for the House shows that the cost of the proposals will be at least £1.3 million. The House needs to be able, in its time-honoured tradition of debating expenditure, to examine the costs of the proposals in detail, and we are not going to be given the time to do so under this business motion.

Sir Patrick Cormack: This, of course, relates to the business motion. We are being allowed 180 minutes, which works out at £100,000 or so a minute—they are quite expensive minutes, even for this Government.

Bob Spink: Has the hon. Gentleman made any estimate of how much of the 90 minutes being given to the debate on regional Select Committees would be needed to discuss and consider the excellent amendments tabled by the Liberal Democrats? They propose to add London to the list of relevant regions, and to ensure that members of such Committees are drawn from those

"who represent constituencies within the relevant region".

That is an eminently sensible suggestion. An amendment has also been tabled by the hon. Member for Thurrock (Andrew Mackinlay), who proposes to exclude councillors from these meetings, and I am sure he will be joined by Members from both sides of the House, including myself, on that.

Sir Patrick Cormack: The hon. Gentleman is right about all those amendments. It is a red letter day indeed when I can say that all the amendments tabled by the Liberal Democrats have my support, but I think that is the case today on this parliamentary matter—most of their amendments certainly have my support. He rightly says that the Members moving amendments of such

[Sir Patrick Cormack]

substance and import ought to have a proper opportunity to explain them. Five minutes, or even the extra time that the hon. Member for North Southwark and Bermondsey might take, is not very long. The hon. Member for Thurrock would certainly be limited to five minutes to discuss his amendment, which is of great substance and merits a full discussion on the Floor of this House.

Mr. Heath: I certainly welcome the hon. Gentleman into our big tent. Let me bring him back to the point that he was making until he was perhaps led astray by his colleague. We need the time in the debate to try to establish consensus. Reforms of parliamentary structures have to be built on consensus; otherwise they cannot endure. A reform based on the simple majority of one party in defiance of the views of every other party in the House will not endure. That is a significant point, I think.

Sir Patrick Cormack: It is a very significant point. It is right that we ought to have far longer than an hour and a half to discuss such a crucial issue. It is a departure from parliamentary traditions. We have always tried, when altering our procedures, to do so on the basis of a large degree of consensus, if not total unanimity. To tease out from the Government why they are trying to do things might even conceivably—although it is highly unlikely—convert some to their point of view. However, there is not the time for conversion. Even Paul needed the journey to Damascus—

Mr. Deputy Speaker: Order. The hon. Gentleman is in danger of moving to the general from the particular, and I must guide him back to the particular.

Sir Patrick Cormack: Obviously, I am always obedient to the Chair. I was merely saying that debating these matters requires time, and we are discussing the time that we are being allocated. Before you came to the Chair, Mr. Deputy Speaker—so I cannot blame you for not knowing this— I made the point that it is a travesty of parliamentary procedure that we have until 7 o'clock to discuss the timing and then only an hour and a half to discuss the substance. It is my contention—

Mr. Deputy Speaker: Order. Now I know that the hon. Gentleman is being repetitious, because he has made that point before. The Chair may be put in the position of having to judge for how long this debate should go on, and one factor in that is how many hon. Members are seeking to catch the eye of the Chair. I drop that hint to the hon. Gentleman.

Sir Patrick Cormack: I have taken many interventions. I shall not repeat a single word that I have said. I was only doing so out of charity given the fact, Mr. Deputy Speaker, that you were not in the Chair when I made that point.

Mr. Bone: I am grateful to my hon. Friend; he is being extremely generous in giving way. With his great experience of this place, will he help a junior Member by explaining to me why the Government, in the past few days, have tried to sneak this programme motion through at the end of business? It is only because hon. Members have objected to it that we are having a debate on it today.

Sir Patrick Cormack: That is a very good point. Would that I could see into the mind of Peckham, but I cannot. I do not know why the Leader of the House did it. To try to smuggle something through like that reminds me of a story in one of my favourite childhood books, "Mr. Midshipman Easy", where the maid gave birth to a child and tried to hide it on the basis that it was only "a little one". Perhaps the Leader of the House was trying to hide the motion on the basis that it was only a little one.

Simon Hughes: I can answer the question that was put to the hon. Gentleman. In business questions last week, the Leader of the House said:

> "The issues are clear, and an hour and a half should be enough to discuss them."—[*Official Report*, 6 November 2008; Vol. 482, c. 364.]

That was her view.

Sir Patrick Cormack: "The issues are clear". Well, they are not clear. That has been brought out by intervention after intervention, perhaps most pertinently by the hon. Member for Thurrock, who referred to the council co-option point and the hybridity of the Committees, as I have called it. I shall not repeat myself, but I said earlier that the Leader of the House or her deputy must have the opportunity to explain with clarity what all this is about. I want to be able to tell my constituents what it is about. I want to tell my constituents what will happen if I am drafted to a Committee in the north-east and am therefore unable to look after the interests of the west midlands. That is the sort of thing that I want to discuss in the hour and a half that we will have.

Mr. Greg Hands (Hammersmith and Fulham) (Con): May I take my hon. Friend back to a point raised earlier by my hon. Friend the Member for Wellingborough (Mr. Bone) about the rights and opportunities for new Back Benchers to participate in these debates? I think that that is being severely curtailed.

I draw the attention of my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) to comments made today in *The Guardian* by the Leader of the House. She said:

> "If people see the Commons as a narrow and self-serving elite...then the Commons has no legitimacy."

However, through her actions today, with these guillotine motions, she is doing precisely that by preventing there being a wide cross-section of voices in these debates.

Sir Patrick Cormack: I am always grateful to have my attention drawn to *The Guardian*, because it contains some interesting articles. It is a pity that the Leader of the House does not read more of them and write fewer of them. She might have been able to write an article justifying the limit of one and half hours, but I doubt it.

All the offers that have been made to the Leader of the House and her jovial deputy to table a manuscript amendment to extend the time at our disposal, which have been spurned, could be taken up even at this late stage—or one of them could.

Mr. Harper: My hon. Friend responded to an intervention from the hon. Member for North Southwark and Bermondsey (Simon Hughes), who outlined why the Leader of the House felt that this limited time should be available. The excellent note prepared by the Library ahead of the debate, entitled "Regional Accountability at Westminster", sets out on page 9 why the Leader of the House, who chairs the Modernisation Committee, should have been aware of the controversy surrounding the matter. It states that she had to use her casting vote on the Committee on no fewer than three occasions because the Committee was split "equally". If that is not a good example of why the House needs more time to explore the issues to give all Members from all parties the opportunity to contribute, I do not know what is.

Sir Patrick Cormack: My hon. Friend does a great service to us, as he has done in several of his interventions. He has referred to the debt that we owe the Library. Whatever one says about the Library of the House of Commons, nobody can ever say that its publications are partisan, biased or flimsy. It does a wonderful service to us all. Anyone reading the notes produced by the Library would, I am sure, come to the immediate conclusion that to seek to dispose of such a highly controversial series of proposals in one and a half hours is appalling—let us remember that we could have as many as seven votes on them.

Mr. Heath: We will.

Sir Patrick Cormack: The hon. Gentleman says that we will have seven Divisions. I rather share that view. I am sure that we will be voting shoulder to shoulder.

The problem illustrates a point of timing. The time taken by the physical act of voting will be much longer than the time spent in debate. I know that my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd), for whom I have very high regard, is most anxious to speak and thinks that I have spoken for too long. I have sought to demonstrate in my few remarks that the time that the House is being allowed is far too short. I hope that my hon. Friend, who is a noted parliamentarian, will be able to expand fully on some of the issues and to explain how important it is that we should have adequate time to debate not just the mechanics but the substance of the issue.

I shall end, in a moment, where I began. The Leader of the House is treating the House with scant respect. She has forced through highly controversial proposals and she has now provided the House with a wholly inadequate timetable for the discussion of those proposals. She is the Leader of the House and she has the opportunity, even at this late stage—now that she has sensed the mood of the House from the interventions on my speech alone—to seek to extend that time. She can do that in a variety of ways. She is well versed in parliamentary procedures and she knows what they are. She can seek to move an amendment to withdraw one of the motions, or she can seek to extend the time on one or more of the motions. She has a range of possibilities, and exercising any one of them would reflect credit on her. It is a credit that at the moment she does not deserve.

My hour is up.

2 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack). He made a brilliant speech that summoned into the Chamber first the Government Chief Whip and then, perhaps more worryingly, the Government Deputy Chief Whip, both of whom were inquiring about exactly what was going on.

My hon. Friend the Member for South Staffordshire began by saying that he could not continue until 7 o'clock, but many of us will remember our late and much lamented friend Eric Forth. I think that he would have risen to the challenge and extended the debate.

I want to add a short footnote to the four speeches that have been made already criticising this timetable motion. When the Deputy Leader of the House moved it, I do not think that he recognised the depth of feeling in the Chamber. I noticed that he said that the timetable motion had been drafted to allow time for votes. We are grateful for small mercies, but the House has not been allowed adequate time for debate. How can we vote sensibly if the guillotine motion has prevented us from debating?

Mr. Bone: My right hon. Friend is making a point about the votes, but does he agree that there will be more time for the votes than for the actual debate?

Sir George Young: It may be that, in protest at the way in which it is being treated, the House will feel provoked into calling Divisions that might not otherwise have taken place, thus bringing into reality what my hon. Friend has said.

Already, the Government's timetable motion has provoked something that I have not seen before—a five-minute limit on Back-Bench speeches on a House matter. Recently, limits of 10 and 15 minutes have been imposed on speeches, but I think that a five-minute limit is virtually unprecedented, especially on a matter for the House. It seems clear to me that the Chair has been approached already by a large number of colleagues who wish to intervene.

The Leader and Deputy Leader of the House cannot say that they were not warned about what would happen this morning. At last Thursday's business questions, I said that I saw

> "from the Order Paper that the right hon. and learned Lady proposes to restrict to 90 minutes the debate on that highly controversial and divisive motion, which was carried on her casting vote in a Select Committee. Between now and then, will she reflect on whether we should have more time to debate the matter?"

I was swotted away. In her reply, which we have just heard from the hon. Member for North Southwark and Bermondsey (Simon Hughes), the right hon. and learned Lady said:

> "The issues are clear, and an hour and a half should be enough to discuss them."—[*Official Report*, 6 November 2008; Vol. 482, c. 364.]

With the benefit of what has happened over the past hour and half, I hope that she will concede that perhaps her response to me was wrong, and that an hour and a half is not enough—especially as we now have before us Mr. Speaker's selection of amendments. The first motion

[Sir George Young]

is timetabled for 90 minutes, and the Chair has deemed that seven separate subjects are worthy of discussion. They include whether we should have Select Committees as well as regional Committees, whether the Chairmen should be paid, whether London should be included, and whether the party balance should reflect the balance in the regions rather than in the House. Another matter to be determined is the pay of Select Committees.

I have tabled amendment (a) to motion 7, and it has been selected for debate, but I am very worried that having only 90 minutes will not leave me time to move it and explain why it should be carried.

Mr. Harper: My right hon. Friend makes an excellent point. The first group of five motions are at least linked, as they are about regional government. However, the second group of two motions contains one entitled European Scrutiny (Standing Orders) and another entitled Modernisation of the House of Commons (Changes to Standing Orders). They are very different motions about different subjects, the second of which relates particularly to the time available to Back Benchers in topical debates. There is a danger that, with such a limited amount of time available, all of it will be focused on just one of those motions, while the other may not be debated at all.

Sir George Young: My hon. Friend makes a good point. We will have the opening speeches from the Front Benches, but many of the amendments have been tabled by Back Benchers from both sides of the Chamber. I am concerned that those Back Benchers may not have time to move the amendments, and that the House will have to vote on them without having heard the arguments on either side. It cannot be in the interests of good governance so to curtail debate that we vote on important matters concerning the business of the House without having heard the arguments one way or the other.

Mr. John Gummer (Suffolk, Coastal) (Con): Does my right hon. Friend accept that this is a matter not just of good governance but of what people outside the House think of us? If we cannot carry out our own business within the sort of time needed for sensible discussion, people outside will feel very hurt.

Sir George Young: My right hon. Friend makes a powerful point. The Leader of the House has a responsibility to the whole House to make sure that we have enough time to discuss the issues before us, which are controversial. The Government have made it clear that they want their view to prevail, although they were unable to persuade a Committee of the House—putting aside the Ministers on it—that it was the right thing to do. Against that background, it is even more important that the House should hear the arguments on both sides before coming to a conclusion.

Many other colleagues wish to speak in this debate, but I want to record my profound unhappiness at the length of time that we have been allocated. I repeat to the Leader of the House that I warned her that this would happen, and that there is still time for her to salvage something by rising on a point of order and indicating that she is happy to accept some of the propositions that we have heard. If she does that, we can move on to the substantive debate: if she does not do that, I fear that this procedural debate may go on a little longer.

2.6 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): The deliberate intent behind all guillotine motions to stop people speaking. That is their outcome, and their purpose. In the history of this House, they have been treated very cautiously, with guillotines being imposed only for national events of great import, such as war. However, we have got to the stage where this most arrogant of Governments are now showing they have total control over the business on the Floor of the House of Commons and the way we identify issues of importance to us.

All the points that I have been making in my 25 years in the House have been made in the debate already. We are no longer representative if we cannot speak on behalf of our constituents. Behind that, of course, is almost the oldest dictum in legal history—that our freedom and liberties lie at the interstices of procedure. That is what this is about: the Government tell us all the time that what happens in the House is boring to people outside, and that is why they can act in this way. No one pays attention to how we do our business, so why should we ourselves pay any attention to it?

My hon. Friend the Member for Forest of Dean (Mr. Harper) exposed the sheer sophistry of the Deputy Leader of the House and his casual approach to these matters. The Deputy Leader said that the motion had been on the Order Paper since last Thursday, so we could have proposed amendments to it. He is a former cleric, so we know that he understands that those who oppose the motion in principle do not want to compromise on that principle.

That must be so, but the Deputy Leader has confronted the House with a matter of principle. The guillotine motion appeared on the Order Paper for both Monday and Tuesday and could have slithered through, but Members stayed behind on both nights to ensure that it did not. That is why we are here today, fighting for the business before us—but more than that: fighting for the justification and the rationale of our existence as a House of Commons.

The Executive have so totally seized the Standing Orders and process of business of this House that they treat hon. Members with total contempt. That is what this is about. Why waste time in hearing the views of those who are sent by the constituencies of England, Scotland, Wales and Northern Ireland to decide matters and raise issues of great importance for those whom they represent? Why trouble with them?

Simon Hughes: The hon. Gentleman makes a valid point. When the motion to curb debate moved from the back of the Order Paper on to the business pages, there were objections. On Monday night, he, I and others objected. That gave the most obvious signal to the Government, if they had not picked it up already, that Members were unhappy, and they could have come and talked to people. There was not a word of discussion yesterday, however, so we had to object again. Signals have regularly been sent; it is not as though we have not said to the Government, "This is not a good way to conduct your business."

Mr. Shepherd: In those remarks lies the reasonableness of Members in conducting their business. The hon. Gentleman does not honestly believe, because experience has taught him otherwise, that the Government have the slightest intention of negotiating the business of the House. We have had no experience of that under this Government.

Mr. Jim Hood (Lanark and Hamilton, East) (Lab): Or the last.

Mr. Shepherd: The hon. Gentleman did not sit in this House between 1992 and 1998; if he had, he could not make that statement. The Government of that time did not have a majority, and therefore could not insist in the way this Government do that they shall have every jot and iota of their business. *[Interruption.]* I am sorry; I paused because I thought a Member was about to intervene.

Several hon. Members *rose—*

Mr. Shepherd: I should not have said that. Of course I shall give way.

Mr. Gummer: Does my hon. Friend agree that there have been examples in the past of Governments with large majorities who have understood that the business of the House—such as the issues we are discussing—is of such importance that we must all play our part in making decisions, and that they would have been ashamed not to have allowed that? The Leader of the House, given her professional career, would have been the first person to have objected to anyone behaving in this way.

Mr. Shepherd: I am very grateful for that intervention, because it highlights the watershed in the treatment of House of Commons business during my parliamentary career, in that it has deteriorated to contempt. That is how strongly I feel. I should tell the House that I have neuralgia, and I am about to see a dentist, so perhaps I am being a bit tart or tough, but I want to emphasise how important the matter is.

The Leader of the House dictated through the report entitled "Regional Accountability" that is supposedly the basis of some of the motion. As has been pointed out, three votes by the Chairman were required to break ties, including on the report being made to the House of Commons. Fortunately, the right hon. and learned Lady had to her right an acting Whip. He served the purpose of pointing out to the Labour members of the Committee concerned when to vote. His reward lies not in heaven, but in being the Deputy Leader of this House now. He did that not for Wales, and not for England, but for the deputy leadership of this House.

I have been a Member of Parliament long enough to remember when we did not have a Deputy Leader of the House, as the leadership of the House was considered the most important function in the management of this House—in the political management and in terms of regard for the House. Mrs. Thatcher took business questions in her time. Prime Ministers, no less, were invariably the Leader of the House, because their authority and the basis of their power rested on having and controlling a majority. Now, however, it is anybody's old business, so when we have this dire report that required no consensus but just the Chairman's vote to assert it, we get a reply from the Government, and who from the Government replies on this? The document in question is entitled, "Regional Accountability: the Government's response to the Modernisation Committee's third report of session 2007-08". Remembering that the Chairman of the Modernisation Committee, the right hon. and learned Lady, is sitting in her place in this Chamber, let me point out that that document was

"Presented to Parliament By the Lord Privy Seal, Leader of the House of Commons and Minister for Women and Equality By Command of Her Majesty".

They are one and the same person. There is no distinction between them. That is what we have come to. We have now a person in post who neither understands this House nor has spent long on the Back Benches waiting to speak, and who has become a princess of New Labour and feels that all this—

Mr. Deputy Speaker: Order. I think that the hon. Gentleman, with his distinguished record in the House, will recognise that if he wishes to make a speech that is critical of the Leader of the House, or any other Member, that would need to be done on a substantive motion. It ought not to be done under this timetable motion.

Mr. Shepherd: I apologise. I am trying to explain why there is a sense of frustration that this House no longer has a personality. That should not just be seen in the context of a consideration of the times, although that is the central issue that determines how reduced we are, and serves to demonstrate it to those who send us here.

Several hon. Members *rose—*

Mr. Shepherd: I do not wish to speak for as long as my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) so I am no longer inviting interventions.

If we cannot speak on behalf of those who sent us here, what is our purpose? If Governments cannot take seriously the processes and purposes of the House of Commons, we are all lost. We must have a sense of ourselves, but this motion rejects that. The Leader of the House and the Deputy Leader of the House tabled the subsequent motions and showed concern that we are debating this issue. They had this all wound up. There were attempts on Monday and Tuesday, and again today, to have an opportunity to speak on the virtues of these motions before us. They have now moved far from the Procedure Committee. They have seized the Standing Orders and the whole business of the House through the Modernisation Committee. As far as they were concerned, it had no purpose from the start and certainly not since the return from the summer recess. It has not even met. Its only purpose is to deliver yet more power into the Executive's hands.

This issue matters to every one of us, from wherever we come. It is not just a question of "Hallelujah" to the passing Leader of the House, or whoever is the successor. This is about the belief that we are the representatives of the nation and about votes in this House, which are important—for the provision of Supply, which is the oil of Government, to name but one essential thing. This is an important matter, and it should be taken seriously. Until the Government learn that lesson, they who treat us with contempt will receive contempt.

2.18 pm

Mr. Mark Harper (Forest of Dean) (Con): I am grateful for the opportunity to speak briefly on this business motion.

I want to clarify my intervention on my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) about the necessity for a business motion. I stand corrected, in that there needed to be a business motion to make sure the House did not rise at seven o'clock, but that is all it needed to contain. It did not need to have a limit on speeches or group the motions by linking motions that are not related to each other. If the Leader of the House and the Deputy Leader had wanted to, they could have put before the House such a limited business motion, rather than the one that we face today. However, given that we are faced with this business motion, I want to make a few points about why it is inadequate given the subjects ranged before us.

I want to expand on my intervention on my right hon. Friend the Member for North-West Hampshire (Sir George Young) about the linking of some of the subjects, specifically the European scrutiny Standing Orders motion about the European Scrutiny Committee having to meet in public. There *is* a reason why I am worried about that and want there to be adequate time. A short while ago, I presented a ten-minute Bill to the House on the transparency of European Union legislation. The Bill would have made it incumbent on Ministers to make clear to the House the origin of Bills. In that debate, the House divided, and Government Members were whipped to oppose openness and transparency in EU business—the whipping included Ministers, which is not the normal process for ten-minute Bills. That causes me concern, as we know from the way in which the Government behaved then that they do not want openness and transparency in the conduct of European Union business. It is important that the House has a full opportunity to debate the motion on European scrutiny, and to ensure that the European Scrutiny Committee meets in public, both to hear witnesses and to deliberate. That way, Members of the House—and, much more importantly, through us, members of the public—can know what is being done in their name as far as European business is concerned.

The motion on European scrutiny has been grouped with motion No. 9, entitled "Modernisation of the House of Commons (Changes to Standing Orders)". Motion No. 9 is important in itself, because it affects the balance of time given to Front Benchers and Back Benchers in topical debates. That is why I am concerned about the time available for debate on the two motions. Back Benchers, every one of whom may wish to contribute to topical debates, have legitimate opinions about the relative time available in those debates to Front-Bench and Back-Bench speakers. My concern is that linking the two motions in a one-and-a-half-hour block means that there will not be time for one or other of those subjects to be properly debated and scrutinised, not just by Front Benchers, but by Back Benchers, who are properly concerned about the issue.

Mr. Hogg: There is a related point, is there not? If members of the public wish to express a view, one of the few ways in which they can do so is to have it articulated by their representative Member in this place. If we reduce the opportunities for Back Benchers to participate, we reduce the public's ability to communicate with other right hon. and hon. Members through their elected representative.

Mr. Harper: My right hon. and learned Friend makes a good point. A lot of debates in this House, many of which will be affected by the motions on the Order Paper, are complex. They involve Members of Parliament being given the opportunity to relate the experiences of constituents, particularly with regard to how we ensure accountability for regional business. Our constituents will want to make sure that we have a proper ability to do that. Those issues need to be teased out in full.

Philip Davies (Shipley) (Con): Does my hon. Friend agree that it is all the more important that Back Benchers get adequate time to debate the matter, given that the majority of Back Benchers on the Modernisation Committee, on which I sit, voted against regional select committees? The vote was only tied because the Deputy Leader of the House, who was the Parliamentary Private Secretary to the Leader of the House at the time, voted with the Government, allowing the Leader of the House to use her casting vote. If just non-payroll, Back-Bench MPs had voted, the proposition would have fallen at the Modernisation Committee stage. Does that not make it all the more important that Back Benchers get adequate time to debate the matter?

Mr. Harper: My hon. Friend makes a range of good points in his brief intervention. On his first point, we have already highlighted the procedural absurdity, or unwelcomeness, of the Leader of the House using her casting vote as Chairman of the Modernisation Committee to push the proposal through against the wishes of the Committee. There is another problem; my hon. Friend the Member for Shipley (Philip Davies) highlighted the fact that a PPS served in the Committee and, indeed, enabled the Chairman to use her casting vote. Both positions are unwelcome.

Mr. Gummer: Has my hon. Friend noticed that the Leader of the House and the Deputy Leader of the House have found all this incredibly amusing, and have laughed at it, not realising how serious the matter is? Is that not typical, coming from the first Leader of the House to have the party to which she belongs on the notice outside her office? She is the only person in the House who refers to herself officially by the party to which she belongs.

Mr. Harper: My right hon. Friend makes an excellent point. When the Leader of the House was appointed to her position, a number of voices were raised in the House about the undesirability of the deputy leader of a party holding the position of Leader of the House and chairman of the party, for the reason identified by a number of Members who have contributed to the debate. The Leader of the House is of course a member of the Government and a partisan politician, but she is also responsible to all Members on both sides of the House; she has that responsibility, too. It is a challenge for her—perhaps a challenge to which she has not risen—properly to combine the role of deputy leader of the Labour party and her role in the House. Mr. Deputy Speaker, I will move on.

Mr. Deputy Speaker: Order. I think that the hon. Gentleman knows where I am coming from. Perhaps he should stick to the terms of the motion.

Mr. Harper: I am grateful to you, Mr. Deputy Speaker, and am sorry that I did not move on quickly enough to save you from rising from your seat. I will take that point, and hopefully will not test your patience again.

Let me come back to the business motion and the time available to us. It is clear from the papers made available to the House on the Table that the motions have significant financial implications that are not at all straightforward. The Leader of the House may say that the issues are clear, but I say that they are not. The Management Board presented a paper to the House about the potential costs. I have already said that the potential cost of just the regional Select Committees and regional Grand Committees meeting a relatively limited number of times each year is £1.3 million—a charge on the taxpayer.

A whole range of underlying assumptions about those costs are set out in the fairly complex paper. Each of those assumptions might need to be tested, but under the terms of the business motion, we are not to be given the opportunity to come close to testing those assumptions, so that we could get an idea of the costs to the taxpayer of the motions on the Order Paper. We in the House are charged with the proper expenditure of public funds; the money, of course, does not come from us, but from taxpayers generally. We will not be able to undertake that responsibility properly in the limited time available.

In an intervention, I briefly mentioned the issue of the way in which the time is split between the groups of motions. Although the Speaker's Conference motion may not be as controversial as the others, it touches on some incredibly important issues that could affect the electoral system, the way in which the House of Commons is composed and the extent to which the House of Commons is felt to be representative. That debate has been allocated only one hour, which indicates that, in the view of the Leader of the House and the Deputy Leader of the House, it is less important than the other debates. However, the questions of whether Mr. Speaker shall have his conference set up and of the terms of reference may make the motion the most important on the Order Paper, but it may not be given proper time for debate.

I want to mention one or two issues pertaining to the time available for the debate on regional Committees. The hon. Member for Somerton and Frome (Mr. Heath) drew attention to the fact that the party balance in the regions differs from the balance in the House and that the balance in each region is different. We should have proper discussion about whether it is appropriate for the regional Select Committees to reflect the balance of party opinion in the House, as opposed to in a region, and whether Members from outside a region should be on that region's Select Committee. The nature of the argument will be different for each region. Given that the proposal is to set up eight such Committees, it does not seem possible to discuss that properly and to allow Members from each region to participate—each region will be affected—in the time available.

My right hon. Friend the Member for North-West Hampshire drew attention to the amendments on the Order Paper; there are a number of amendments on the motion on regional Select Committees, including an amendment on whether London should be included. There is a big debate to be had on that, but there is also concern about whether the mover of the amendment will even get the opportunity to be called to speak.

Mr. Bone: Would it not have been more helpful if, in the programme motion, every regional Select Committee had had its own individual motion? The House might want a regional Grand Committee for certain regions but not for others. As drafted, however, it is a take-it-or-leave-it motion, and we cannot debate separately every individual Select Committee.

Mr. Harper: My hon. Friend makes a very good point, because there may be differences in regional opinion. I forget which hon. Member mentioned this point, but it may have been the hon. Member for Castle Point (Bob Spink) who said that, after all, members of the public in the north-east were given the opportunity to pronounce on the regional accountability of the regional development agencies, and they said very clearly that they did not want a regional assembly. If this House were given the time in the business motion to debate the Select Committees on a regional basis, it might come to different conclusions, but, sadly, the terms of the motion are so limited that we will not have the opportunity to have that debate. And we are certainly not going to have the opportunity to have it during the debate on this business motion.

Simon Hughes: I rise to add one very simple point. Eight regions are being debated, but even if there were only one speech with a five-minute limit from every main party, not including the hon. Member for Wyre Forest (Dr. Taylor), by definition, that would mean 15 minutes per region, and the debate would amount to two hours without any participation by hon. Members from any of the affected regions.

Mr. Harper: The hon. Gentleman makes a very good point, demonstrating that if Members from all regions in this House, representing all parties in this House, are to have a proper opportunity to contribute to the debate, we will need a lot longer than one and a half hours. It behoves the Leader of the House and the Deputy Leader of the House, in their capacity as guardians of the interests of the whole House, to listen to the debate so far. I have been listening very carefully, as have you, Mr. Deputy Speaker, and as did Mr. Speaker, and I have yet to hear from anyone, other than from the Deputy Leader of the House, any support for the business motion and the way in which the Government have chosen to arrange business. I therefore repeat the suggestion from my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) that the Government take this opportunity to listen to the mood of the House and amend the business motion to allow a proper opportunity to have a debate on the substance of the motion that does this House justice.

The Parliamentary Secretary to the Treasury (Mr. Nicholas Brown) *rose in his place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The House proceeded to a Division.

Ms Dawn Butler and Mr. Dave Watts were appointed Tellers for the Ayes; but no Member being willing to act as Teller for the Noes, Mr. Deputy Speaker declared that the Ayes had it.

Mr. Deputy Speaker: We now come to motions 3 to 7.

Simon Hughes: On a point of order, Mr. Deputy Speaker. I understood that the motion on which we were voting was that the Question be now put, and that we had not yet had a vote on the motion—on the business and on the timetable. I presume that you are just about to put it.

Mr. Deputy Speaker: I am grateful to the hon. Gentleman. I did not mean to jump further forward; I was not assisted by the absence of key personnel at that particular time.

Question put accordingly:—

The House divided: Ayes 258, Noes 223.

Division No. 316] [2.35pm

AYES

Ainger, Nick
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Borrow, Mr. David S.
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hutton, rh Mr. John
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kilfoyle, Mr. Peter
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Thornberry, Emily

Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Walker, Mr. Charles
Walter, Mr. Robert
Waterson, Mr. Nigel
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Richard Benyon and Jeremy Wright

Question accordingly agreed to.

Resolved,

That, at this day's sitting, the Speaker shall put the Questions necessary to dispose of proceedings on:

(1) the Motions in the name of Ms Harriet Harman relating to Regional Accountability, Regional Select Committees, Pay for Chairmen of Select Committees and Regional Grand Committees, not later than one and a half hours after the commencement of proceedings on the first such Motion;

(2) the Motions in the name of Ms Harriet Harman relating to European Scrutiny (Standing Orders) and Modernisation of the

[Mr. Deputy Speaker]

House of Commons (Changes to Standing Orders) not later than one and a half hours after the commencement of proceedings on the first such Motion; and

(3) the Motion in the name of Ms Harriet Harman relating to the Speaker's Conference not later than one hour after the commencement of proceedings on that Motion;

such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.

Regional Accountability

Mr. Deputy Speaker (Sir Alan Haselhurst): Before I call the Leader of the House, I should say that Mr. Speaker's selection of amendments has been published and is available to all Members. I do not intend to read out those amendments. All questions on the motions and amendments selected for Division will be put at the end of the debate.

2.48 pm

The Leader of the House of Commons (Ms Harriet Harman): I beg to move motion 3,

That this House welcomes the Third Report from the Select Committee on Modernisation of the House of Commons on Regional Accountability (HC Paper No. 282); approves the proposals for regional select and grand committees for each of the English regions set out in the response from the Government in the White Paper, Regional Accountability (Cm 7376); accordingly endorses the clear expectation that the regional select committees should meet significantly less frequently than departmental select committees; and considers that the combination of select committees providing opportunities for inquiries and reports into regional policy and administration together with opportunities for debate involving all honourable Members from the relevant region will provide a major step forward in the scrutiny of regional policy.

Mr. Deputy Speaker: With this we will consider the following:

Amendment (c) in line 3, leave out from '282)' to 'opportunities' in line 10 and insert—

'approves the proposals for regional grand committees for each English region set out in the response from the Government contained in the White Paper, Regional Accountability (Cm. 7376); and considers that'.

Amendment ((a) in line 6, after '(Cm 7376)', insert—

'except that Chairmen of regional select committees shall not be paid.'

Motion 4—*Regional Select Committees*—

That the following new Standing Order and amendment to temporary Standing Orders be made, with effect from 1st January 2009 until the end of the current Parliament—

A. New Standing Order

Regional select committees

(1) Select committees shall be appointed to examine regional strategies and the work of regional bodies for each of the following English regions:

(a) East Midlands

(b) East of England

(c) North East

(d) North West

(e) South East

(f) South West

(g) West Midlands

(h) Yorkshire and the Humber.

(2) Each committee appointed under this order shall consist of not more than nine members; and, unless the House otherwise orders, all Members nominated to a committee shall continue to be members of that committee for the remainder of the Parliament.

(3) A committee appointed under this order shall have power—

(a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn to any place within the United Kingdom, and to report from time to time;

(b) to appoint specialist advisers either to supply information which is not readily available or to elucidate matters of complexity within the committee's order of reference;

(c) to invite—

(i) Members of the House who are not members of the committee but represent constituencies within the region in respect of which it is appointed, and

(ii) specified elected councillors from the region in respect of which it is appointed

to attend and participate in its proceedings at specified meetings (but not to move motions or amendments, vote or be counted in the quorum).

B. Amendment to Temporary Standing Order of 13th July 2005: Liaison Committee (Membership)

At end add—

(4) In addition to the members appointed under paragraphs (2) and (3) of this order, one Member who is for the time being the Chairman of a Regional Select Committee shall be a member of the Liaison Committee.

(5) The question on a motion in the names of the chairmen of all the Regional Select Committees to nominate a member of the Liaison Committee under paragraph (4) shall be put forthwith and may be decided after the moment of interruption.

Amendment (a), in line 16, at end insert—

'(i) London'.

Amendment (b), in line 18, after 'members', insert—

'who represent constituencies within the relevant region'.

Amendment (c) in line 20, at end, insert—

'(2A) In nominating Members to the Committees under this order, the Committee of Selection shall have regard to the proportion of Members of each party representing constituencies in the relevant region;

(2B) Notwithstanding paragraph (2A), the Committee of Selection shall nominate at least one Member from each of the three largest parties to each Committee.'.

Amendment (d) in line 31, leave out from 'appointed' to end of line 33.

Motion 5—*Pay for Chairmen of Select Committees*—

That this House expresses the opinion that the Resolution of the House of 30th October 2003, relating to Pay for Chairmen of Select Committees (No. 2) should be amended by inserting after '(Select committees related to government departments)' the words 'or Standing Order (Regional select committees)'.

Motion 6—*Pay for Chairmen of Select Committees*—

That the Resolution of the House of 30th October 2003, relating to Pay for Chairmen of Select Committees (No. 2) be amended by inserting after '(Select committees related to government departments)' the words 'or Standing Order (Regional select committees)'.

Motion 7—*Regional Grand Committees*—

That the following new Standing Orders be made, with effect from 1st January 2009 until the end of the current Parliament—

A. Regional grand committees

(1) There shall be general committees, called Regional Grand Committees, for each of the following English regions:

(a) East Midlands

(b) East of England

(c) North East

(d) North West

(e) South East

(f) South West

(g) West Midlands

(h) Yorkshire and the Humber

which in each case shall consist of those Members who represent constituencies within the region and up to five other Members nominated by the Committee of Selection, which shall have power from time to time to discharge the Members so nominated by it and to appoint others in their place.

(2) A motion may be made by a Minister of the Crown providing for—

(a) a Regional Grand Committee to sit on a specified day at a specified place in the region to which it relates or at Westminster;

(b) the time and duration of such a sitting; and

(c) the business as provided in paragraph (4) to be conducted at it.

(3) The question on a motion under paragraph (2) shall be put forthwith and may be decided after the moment of interruption.

(4) The business of the committees may include—

(a) questions tabled in accordance with Standing Order (Regional Grand Committees (questions for oral answer));

(b) statements by a Minister of the Crown, in accordance with paragraph (5) below;

(c) general debates on specified matters.

(5) The chairman may permit a Minister of the Crown, whether or not a Member of the House, to make a statement and to answer questions thereon put by members of the committee; but no question shall be taken after the expiry of a period of 45 minutes from the commencement of such a statement.

35 (6) If the House has resolved that the business at a sitting of a committee shall be concluded at a certain hour and it has not otherwise been concluded before that time the chairman shall, at that time, adjourn the committee without question put and any business then under consideration shall lapse.

B. Regional Grand Committees (questions for oral answer)

(1) Notices of questions for oral answer in a Regional Grand Committee by the relevant regional minister, on a day specified in an order made under paragraph (2) of Standing Order (Regional grand committees), may be given by members of the committee in the Table Office.

(2) Notices of questions given under this order shall bear an indication that they are for oral answer in a specific Regional Grand Committee.

(3) No more than one notice of a question may be given under this order by any member of the committee for each day specified for the taking of questions.

(4) On any day so specified, questions shall be taken at the time provided for in an order under paragraph (2) of Standing Order (Regional Grand Committees); no 50 question shall be taken later than three quarters of an hour after the commencement of the proceedings thereon; and replies to questions not reached shall be printed with the official report of the committee's debates for that day.

(5) Notices of questions under this order may be given ten sitting days before that on which an answer is desired save where otherwise provided by a memorandum under paragraph (8) of Standing Order No. 22 (Notices of questions, motions and amendments), provided that when it is proposed that the House shall adjourn for a period of fewer than four days, any day during that period (other than a Saturday or a Sunday) shall be counted as a sitting day for the purposes of the calculation made under this paragraph.

Amendment ((a), in line 1, after 'made', insert

'and Standing Order No. 117 (Regional Affairs Committee) be suspended'.

Amendment ((b), in line 13 at end insert—

'(i) London'.

Amendment (c), in line 15 leave out from 'region' to end of line 18.

Ms Harman: Today, I bring to the House the Government's proposals on regional accountability, to put in place an effective and visible improvement in the scrutiny and democratic accountability of the public agencies and public policies that operate in the English regions. The reality is that in every region in England there are important public agencies, with budgets of billions of pounds. The decisions that they make, and how they put those decisions into practice, shape the future of the regions and profoundly affect those who live and work in them.

[Ms Harman]

At regional level, those agencies are much bigger than—and are beyond the accountability of—any local authority in the region. The regional development agencies, the strategic health authorities, the Learning and Skills Council and the Highways Agency are big regional beasts. Their regional directors and chief executives are regional "masters of the universe", with huge budgets. However, they are public bodies spending public money in the public interest, and it is right that they should be publicly accountable through this House to the region that they serve. Both in Parliament and within Government it has been recognised that there is the problem of an "accountability gap" in the regions; now we are seeking to do something about it.

Mr. John Redwood (Wokingham) (Con): What part of "no" does the Leader of the House not understand following the referendum result in the north-east on elected regional government? Does she not understand that the people of England do not want to be balkanised and regionalised at their own expense?

Ms Harman: We are not proposing to the House what was proposed in the north-east.

Mr. Redwood *rose—*

Ms Harman: If the right hon. Gentleman will allow me, I can get on and explain what our proposals are.

Mr. David Heath (Somerton and Frome) (LD): The right hon. and learned Lady is talking about accountability to the regions. She knows how unhappy many of us in the south-west are about the composition of the south-west regional Select Committee. Will she give me a guarantee that no hon. Member from outside the region will sit on that Committee and that every county in the south-west will be represented on it?

Ms Harman: On the composition of the Select Committees, about which I hope to develop an argument if I can proceed with my comments, I can say that they will be Committees of the House and their composition will reflect that of the House.

Ms Dari Taylor (Stockton, South) (Lab): Speaking as Member of Parliament for a constituency in the north-east, does my right hon. and learned Friend accept that big organisations often set priorities that my constituents neither have any involvement in nor feel that they are a part of, and they believe that through a Select Committee—through me—they have a chance of being heard?

Ms Harman: My hon. Friend points to the exact problem, and now we are doing something about it.

Sir Patrick Cormack (South Staffordshire) (Con): May I take the Leader of the House back to the central question asked by the hon. Member for Somerton and Frome (Mr. Heath)? Would not the membership of all these regional Committees have a Government majority, which would inevitably mean that many regions would need to have Members drafted on to them from outside those regions?

Ms Harman: The composition of the Committees will be as for all Committees of the House, including the Northern Ireland Affairs Committee chaired by the hon. Gentleman.

Several hon. Members *rose—*

Ms Harman: I will give way a couple more times, but I would like to speak as briefly as possible in order to give hon. Members—*[Interruption.]* They said that this is a short debate, so it will not take long for them to listen to my comments and then make their own.

Mr. David Curry (Skipton and Ripon) (Con): If the regions are characterised by masters of the universe with multi-billion-pound budgets, why is the Leader of the House prescribing Select Committees that are recommended not to meet very often and will clearly be pale imitations of the real Select Committees of this House?

Ms Harman: I will develop my argument about how these Select Committees will fill the current gap in accountability. The Government have made major increases in investment in the regions, including the establishment of regional development agencies, which we need to hold to account for what they do in each region of England.

Graham Stringer (Manchester, Blackley) (Lab): My right hon. and learned Friend clearly identifies a democratic deficit, but would it not be more sensible to break up some of these regional bodies and put their resources back into local democracy, from whence they came, instead of setting up expensive, unnecessary and remote Select Committees?

Ms Harman: There has been big investment in these regional bodies—strategic health authorities, highways agencies and learning and skills councils—but this investment is additional to the extra funds that have gone to local government.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Will the Leader of the House give way?

Ms Harman: I will press on with my comments, if I may.

In our current economic climate, it is even more important that we ensure that taxpayers' money is being used in the most effective and efficient way possible in every region. The regional Committees that we propose plug the accountability gap and provide this House with a means to conduct effective investigations and to make clear recommendations for change, but with the flexibility to meet the differing needs of each of the regions. The motions propose that we should establish regional Select Committees to examine regional strategies and the work of regional bodies. There is no need for a list of bodies that fall within their remit. The key principle is that they should look at the development and implementation of policies where there is a regional aspect to decision making or delivery—that is, where funding or priorities are set regionally or where bodies are organised on a regional basis.

Mr. Mark Harper (Forest of Dean) (Con): Given that the right hon. and learned Lady is saying that it is important that regional accountability is preserved and that bodies operating regionally are held accountable, how can it be right that Members from outside those regions sit on, or perhaps even chair the Committees? How can that deliver effective regional accountability? It is a travesty.

Ms Harman: I hope that hon. Members will not feel that it is a travesty when we have regional Select Committees that allow this House to hold those regional organisations to account, as well as regional Grand Committees that involve all Members from the region.

Several hon. Members *rose—*

Ms Harman: Let me press on with my explanation of our proposals.

Concern has been expressed about the scope for overlap between the work of the regional Committees and the work of the departmental Select Committees. In order to minimise that, the motion invites the House to endorse the expectation that regional Select Committees will meet less frequently than departmental Select Committees and provides for only one of the regional Committee Chairs to serve on the Liaison Committee. We propose that each Committee should have up to nine members, nominated by the Committee of Selection in the usual way. As with all Committees of the House, their membership will reflect the composition of the House. That is the long-established practice of the House in relation to Select Committees of all kinds, including the Scottish, Welsh and Northern Ireland Affairs Committees.

Several hon. Members *rose—*

Ms Harman: I will give way once more, and then I must press on.

John Hemming (Birmingham, Yardley) (LD): I thank the Leader of the House for giving way, which prevents me from having to make a substantive speech. In light of the Government's decision to pack the regional Select Committees with Labour Members from outside those regions, and given the problems of obtaining a quorum for many Select Committees, what guarantee can she give that those Labour Members will turn up?

Ms Harman: I absolutely refute the idea that the Committees will be packed with Labour Members from outside the regions concerned.

Mr. Hands *rose—*

Richard Ottaway (Croydon, South) (Con) *rose—*

Ms Harman: Perhaps I will not give way again if it is merely an opportunity for hon. Members not to need to make their own speeches, which I am sure that the House wants to hear.

Mr. Jim Hood (Lanark and Hamilton, East) (Lab): I welcome the regional Select Committees. Given that the motion says that they will come into effect from 1 January 2009, may I invite my right hon. and learned Friend to treat as a matter of urgency the calling of the Scottish Grand Committee, which has not met for some time and needs to meet to discuss some very important issues concerning Scotland? I look forward to seeing that on the Order Paper in the new year.

Ms Harman: My hon. Friend makes an important point, and I will certainly consider bringing that forward.

We propose that these new regional Select Committees should be able, if they wish, to link up with local authorities. The motion therefore gives regional Select Committees the power, if they so wish, to invite local councillors to participate in their meetings but not to move any motions or amendments, vote, or count towards the quorum.

While the motions to establish regional Select Committees present the House with an opportunity to provide for detailed investigations into and reporting on agencies and action at regional level, we want to ensure that all Members in a region can be involved in greater regional accountability. We therefore propose that as well as the regional Select Committees, we establish regional Grand Committees to include all Members from the region. The regional Grand Committees will be a forum to consider the "state of the region" and would meet annually, or twice a year if the need arose. As with regional Select Committees, we expect that they will generally meet in the region, taking Parliament out of Westminster and into the regions.

Regional Grand Committees will be able to hold wide-ranging debates and statements on regional issues, and provide Members in that region with an opportunity to put oral questions to regional Ministers to hold them to account for their work in fulfilling the responsibilities set out in the "Governance of Britain" Green Paper. That will meet our commitment that they should be directly accountable to Parliament in that role. The resolution we are considering today, and the Modernisation Committee—

Several hon. Members *rose—*

Ms Harman: I will give way to the hon. Member for Cities of London and Westminster (Mr. Field).

Mr. Mark Field (Cities of London and Westminster) (Con): I totally disagree with the idea of any of these regional Committees, but given that the Leader of the House, like me, is a London Member, what is the rationale behind the Government's thinking that there should not be a London Committee? There will be Committees for all the other regions, and we already have Committees for Scotland, Wales and Northern Ireland.

Ms Harman: I take the hon. Gentleman's point that as a London Member he opposes the idea of a regional Select Committee in London. None the less, he is complaining that it is not on the Order Paper—presumably, so that he could vote against it. I will say something about London in a moment.

The resolution that we are considering, and the Modernisation Committee inquiry, covers only the eight English regions. It does not cover Scotland, Wales or London, each of which have different governance

[Ms Harman]

arrangements. Scotland and Wales already have Grand and Select Committees tailored to each. London has different governance from the eight English regions, and I intend that following on from this resolution, we should turn our attention to London and get on with making arrangements for deepening the scrutiny of pan-London organisations, such as the strategic health authority. Following consultation, we will bring forward proposals to the House early in the new year.

The proposals we are putting to the House today strengthen regional accountability to this House. They will provide every hon. Member who represents a constituency in the English regions an opportunity to participate in the scrutiny of regional policy and regional expenditure, alongside more detailed scrutiny by regional Select Committees. The resolution establishes these regional Committees only for the lifetime of this Parliament, at the end of which there will be the opportunity to review them and see how they have worked. I commend them to the House.

3.1 pm

Mrs. Theresa May (Maidenhead) (Con): I beg to move amendment (c) to motion 3, in line 3, leave out from '282)' to 'opportunities' in line 10 and insert—

'approves the proposals for regional grand committees for each English region set out in the response from the Government contained in the White Paper, Regional Accountability (Cm. 7376); and considers that'.

I will speak to the motion and the amendments, including the one standing in my name and that of my hon. Friend the Member for North-West Cambridgeshire (Mr. Vara). I am conscious of the desire of many Members to make their voices heard in this debate, so I will aim to restrict my remarks. I will not address the issue of whether the regions in question are the right ones, or whether some of the regional bodies that the Select Committees are due to hold to account should exist in their current form—a matter about which I have severe doubts. I also will not address the fact that the hole in regional accountability that the Government seem to think needs fixing is there only because of the way in which they have consistently set up new regional bodies to take responsibilities from this House and local authorities.

I will address whether the way forward is through regional Select Committees. Before I do that, it is important to set the matter in context. We need to remember that regional Select Committees were first proposed in a statement made to the House in July 2007 by the Prime Minister. That statement was accompanied by a Green Paper, "The Governance of Britain", from the Ministry of Justice. It proposed regional Select Committees as a means of achieving formal and consistent parliamentary scrutiny, not only of regional policy but of regional Ministers—new posts created by this Prime Minister. I shall not go into great detail on that issue. Suffice it to say, I believe that regional Ministers should be held to account for what they do, through oral questions regularly either in this House or in Westminster Hall, not through oral questions to regional Grand Committees that take place only twice a year, as proposed by the Government. We need to be able to hold those Ministers to account in a better way.

As was referred to in the previous debate, the issue was discussed at considerable length in the Modernisation Committee, and as a member of that Committee, I sat through evidence from regional bodies, the House authorities and Chairmen of existing Select Committees. It was absolutely clear that no case was made for regional Select Committees as the answer to the problem of the need for increased regional accountability. There was no consensus on the move to regional Select Committees, and the Modernisation Committee, in its report, raised severe doubts about the impact of regional Select Committees. It referred to

"practical challenges in their creation, including: the risk of disrupting existing departmental select committee business; the potential to distract public bodies and agencies working in the regions from their core activities and central lines of accountability; the possibility of duplicating scrutiny work already being undertaken in the regions; the additional burden on Members' time and workload; increased demands on House resources".

Given the reservations of the Modernisation Committee, it is all the more important that the House knows that this proposal, which originated from a policy proposal of the Prime Minister and the Government, was pushed through the Committee on the Chairman's casting vote—the Chairman being, of course, the Leader of the House. There was no consensus for change. You may call me old-fashioned, Mr. Deputy Speaker, but I happen to think, as my right hon. Friend the Member for East Yorkshire (Mr. Knight) said during the earlier debate, that when we are changing the structure of the House, Select Committees or other matters relating to the House, the Leader of the House should aim for consensus among the parties, so that there is general acceptance of the proposals in this House.

Mr. John Gummer (Suffolk, Coastal) (Con): Did my right hon. Friend notice that, far from aiming at consensus, the Leader of the House ignored the fact that the majority of Back Benchers—those not paid on the Committee—voted against the proposition? She got it through not only by her own vote, but by the vote of her Parliamentary Private Secretary, who is now her assistant.

Mrs. May: My right hon. Friend makes a valid point, and I would add that the Government, in order to get the vote through, had to change the membership of the Select Committee the night before the vote to ensure that one Labour Member, who presumably was unable to attend, was taken off the Committee, and that a Member who was able to attend was put on to it. That Member was not present for any of the evidence sessions taken by the Committee, but voted on those proposals.

Mr. Redwood: Does my right hon. Friend understand that the Labour Government seem to have this awful fear of England? They devolved power to Wales and to Scotland, but they will not devolve any power to England. Instead, they want to break it up.

Mrs. May: My right hon. Friend's point leads neatly into my next comment, which is that the unwritten intention behind the Prime Minister's proposal was to find a solution to the West Lothian question. The message we should send clearly to the Leader of the House is that whatever else the expensive new structure will do, it will not answer the West Lothian question.

Mr. James Plaskitt (Warwick and Leamington) (Lab): The right hon. Lady said that no case had been made. I put this view to her:

"the proposals for regional select committees is critical for full accountability and...a step change in service delivery."

That view comes from the West Midlands Business Council. Why does she disagree with the top 23 business organisations in the west midlands?

Mrs. May: If the hon. Gentleman would like to wait a while, I shall come on to why I think that Select Committees are not the answer.

What will these regional Select Committees actually do? Are they to scrutinise Government regional policy, such as what the Government are telling the regional development agencies to do? If so, that role is already being carried out by existing Select Committees. Regional development agencies are accountable to the Select Committee on Business and Enterprise, which is ably chaired by my hon. Friend the Member for Mid-Worcestershire (Peter Luff). Moreover, the Select Committees hold a significant number of their meetings in the regions. If the regional Committees are not to scrutinise Government policy, which is already scrutinised by existing Select Committees, what will they do? Will they allow hon. Members to question decisions taken by regional bodies in their area? A better way of doing that would be in regional Grand Committees, where all Members can be present to discuss the issue, and not in a Select Committee, where a limited number of Members—not all of whom will be from that region—will be present.

Andrew George (St. Ives) (LD): Did the Modernisation Committee have the opportunity to reflect on the original role, under a previous Standing Order, of the Regional Affairs Committee, which was presumably established to provide the level of scrutiny that the Government said that they required at that stage? It has not sat since 2004—on the day of the north-east referendum, in fact. Is that not a test of the Government's sincerity in their wish for regional scrutiny?

Mrs. May: The hon. Gentleman makes an extremely valid point. One could argue that the Government's proposal is more about creating positions and chairmanships for Labour Back Benchers than proper regional scrutiny.

Mr. Curry: Does my right hon. Friend agree that the real reproach to regional Select Committees is that they are, to use a Yorkshire expression, neither nowt nor summat? They are not fully fledged Select Committees, but a sort of imitation of them. They must co-opt councillors by an unspecified method—God knows how we would choose them. They are enjoined specifically to meet only now and again. Is that not bizarre? Should the Government not make up their mind about whether committees are a good or bad idea, and then we could make a decision about something real?

Mrs. May: My right hon. Friend makes an extremely valid point and highlights one of the problems at the heart of the Government's proposals.

The evidence that we took in the Modernisation Committee cast genuine doubt on the value of regional Select Committees and their ability to do the job that the Government claim that they can do. In his evidence, my hon. Friend the Member for Mid-Worcestershire, as Chairman of the Business and Enterprise Committee, said:

"It is very important we plug the gap in a way that does not actually undermine the role of mainstream departmental select committees. Their policy oversight role must not be compromised by new committees, whatever form they take".

My fear is that their policy oversight role will be compromised. When the Father of the House, the right hon. Member for Swansea, West (Mr. Williams), was Chairman of the Liaison Committee, he added to that point by saying that,

"what we are worried about is the problem of overlap, conflict for resources and priority of access to witnesses".

Experienced Members expressed serious doubts about the ability of regional Select Committees to operate in a way that would not damage work that the House is already doing. The Government and the Leader of the House should heed the warnings of those with experience in such matters.

Sir Peter Soulsby (Leicester, South) (Lab): The right hon. Lady refers to some of the evidence that the Select Committee heard, but does she recall the considerable volume of evidence that called for the establishment of regional Select Committees, not least from the regional development agencies? They felt that they were not being held adequately to account and that regional Committees were needed for their good governance as much as for our scrutiny of their work.

Mrs. May: Evidence from the regional development agencies was not universally in one direction about the sort of body that should be established. They identified a problem of regional accountability, but not all said that regional Committees were the answer. The hon. Gentleman, who sat on the Modernisation Committee and heard the evidence, may cite the regional development agencies, but Members with experience of the operation of Select Committees cast genuine doubt on the ability of regional Select Committees, albeit meeting only a few times a year, to conduct their business in a way that did the job that the Government claim they could do.

Julia Goldsworthy (Falmouth and Camborne) (LD): Will the right hon. Lady give way?

Mrs. May: I should like to make a little more progress because I am conscious of the time, and I do not want to sit down before I have made a point about the strain that regional Select Committees will put on the House. That is important. There is already difficulty in finding people to fill existing Committee posts, yet we propose the creation of 72 new posts. Problems with filling vacancies will not be helped by the proposal. Indeed, there is a danger that the Committees could find themselves in the farcical position of not having enough members or being inquorate, and that would have an impact on witnesses and perceptions of the House.

We also need to consider the House's resources. The Management Board has made it clear that there would need to be new staff. Existing Clerks could take up some of the work load, but many new staff would need to be recruited, hired, trained and so on.

That brings me to cost. We are told that the annual running costs of the Committees could amount to just

[Mrs. May]

over £1 million. I suspect that it would be considerably higher. Together with the outlay on regional Grand Committees, which the Government also propose, the bill will fast approach £1.5 million if not £2 million a year. That money could be rather better spent.

To plug the regional accountability gap, we need go no further than setting up regional Grand Committees, which would give every Member in a region the opportunity to make their views known about what was being done by bodies in their region. Every part of a region would be represented, and we would avoid the position that could arise with the regional Select Committees, whereby people from outside the region may be included to maintain the Government's majority. The Grand Committees would not need to meet so often, and their running costs would be significantly lower than those of the regional Select Committees.

Let me consider the amendments that the hon. Member for Thurrock (Andrew Mackinlay) tabled. Select Committees should comprise Members, not members of local authorities co-opted on to them. If the hon. Gentleman pressed that, I would support him. I also support amendment (a) about Chairmen's pay. It is proposed to pay them in the same way as the Chairmen of other Select Committees, which would meet much more frequently and have a far greater work load. The House should reject that.

Mr. Curry: Is it not slightly curious that Members of the European Parliament, who have, by definition, a regional mandate and deal with many issues that are relevant to the regions, are not among those who could be co-opted on to a regional Select Committee?

Mrs. May: As a former Member of that august body, my right hon. Friend has much experience of the input of Members of the European Parliament in the regions.

Regional Select Committees would duplicate the work of existing Committees and risk disrupting the work of departmental Select Committees. They would duplicate the scrutiny work that already takes place in the regions, significantly increase the demands on House resources and place a greater burden on Members' time, taking more Members away from the Chamber. They are not the collective wish of the Modernisation Committee. The Government are introducing them for their own ends, not in the House's interest, and the House should reject them.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I remind hon. Members that Mr. Speaker has placed a five-minute limit on Back Benchers' speeches, which operates from now.

3.16 pm

Mr. James Plaskitt (Warwick and Leamington) (Lab): I greatly welcome the proposal to introduce regional Select Committees for two simple reasons: they will plug a clear gap in accountability and oversight, and they will help Members of Parliament in the regions to serve our constituents more effectively.

Many issues come to us as regional Members of Parliament that we cannot easily tackle at a regional level. If issues that are unique to our constituencies arise, that is fine—we have easy access to the public authorities that deal with them. If national issues arise in our constituencies, we can raise them here. However, many issues are regional, and we do not have the means through Parliament, or our role as Members of Parliament, to hold regional organisations to account.

Members of Parliament are not the only ones to want access to regional organisations; many regional organisations want the opportunity to meet regional Members of Parliament and would welcome the introduction of regional Select Committees. They cannot bring together Members of Parliament from the regions, but a forum such as that the one the proposal envisages would provide an opportunity to do that.

Cross-departmental co-ordination is essential. The Government are therefore right to appoint regional Ministers, but, to complete the circle of accountability, those Ministers should also appear before regional Select Committees.

A considerable gap exists. The regional authorities in the west midlands spend tens of billions of pounds. Parliament could spend a small amount of money to help secure proper accountability for a vast amount of public spending. The structure of who does what in the regions can be difficult for Members of Parliament to navigate. Parliamentary oversight might help achieve greater co-ordination between the different organisations that work in the regions, and even some rationalisation.

Mr. Harper: If the organisations in a region are keen to be scrutinised in the way in which the proposal suggests, perhaps we should consider whether asking poachers what sort of gamekeeper they would like to monitor them is a good idea. If regional organisations are so keen on regional Select Committees, its is perhaps because they do not believe that those committees will scrutinise them and hold them to account effectively.

Mr. Plaskitt: The hon. Gentleman underestimates the ability of parliamentary Select Committees to get to grips with an issue. Experience shows that they are adept at getting to the heart of issues, and he should not underestimate their abilities.

If we take the main players in the west midlands as a case in point, we will see the scale of the gap that this proposal seeks to plug. Advantage West Midlands has a £300 million pound budget, and is running 2,500 projects. It recently launched the west midlands economic strategy, which will run until 2011 and is designed to plug a £10 billion output gap in the region. Why should not the region's MPs be involved in the oversight and delivery of that strategy, which is critically important to our constituents? It involves skills, enterprise, innovation, transport and economic inclusion issues, which are not easy to grasp in a group, other than through the creation of these Committees.

There are six sub-regional regeneration zones, with 19 different organisations involved. We need a regional Select Committee to give us, the region's MPs, the chance to get to grips with that array of bodies. The Government office for the west midlands joins 10 different Departments in the region and grapples with major issues of planning and transport, and the region's MPs

need better oversight of it. The learning and skills council for the west midlands has a large budget and a strategy involving employers, young people, adults, colleges and providers. The council also addresses 12 sector skills areas that are also of critical importance to the businesses in the region and another reason why we need the ability to scrutinise it. Incidentaliy, the learning and skills council has six local offices, each with an economic development team.

All other aspects of regional structure are in place. Local government has its regional assembly. The MEPs, as has been mentioned, have a regional role defined by their constituencies. The Departments have the Government office for the west midlands, and Ministers have an oversight within the region. Parliament is the missing bit of the jigsaw, but it should be holding all the others to account. That is what we must put right, in the interests of ensuring proper parliamentary accountability of the Executive in all their manifestations. We must do that in the interests of better helping us to represent our constituents and, in the interests of making our region and all those working in it, operate for the benefit of the people whom we represent in this Parliament.

3.22 pm

Simon Hughes (North Southwark and Bermondsey) (LD): This is an important debate, which is why it is a disgrace that we have only an hour and a half for it. Many Members will not have the say that they want to have, and should have. I ask the House to accept amendments (b) and (c) to motion 4, and amendment (c) to motion 7, tabled by my right hon. and hon. Friends.

The Government are in their present difficulties because they have never properly grasped the need to address devolution in England. They honourably and rightly—if eventually and under pressure—realised that devolution was necessary for Scotland, Northern Ireland and Wales. I note that devolution to those places gave them proportional representation for their Parliaments and Assemblies, so that they are representative of the people whom they represent. London also has a degree of devolution, introduced by this Government, that is representative of the people of London and provides an element of accountability. But this Government have never understood the need for devolution in England. Until they understand that, they will not command the necessary support in this House for their proposals.

There are different views about how to achieve that devolution for England. Some of my colleagues would prefer a form of regional government, but that was tried—and clearly did not succeed—in the north-east. Some of us believe in an English Parliament, but that suggestion requires constitutional deliberation on how to complete devolution across the United Kingdom. In the absence of such structures, it is right to have a way of holding to account regional bodies, including the quangos and strategic bodies that are not held to account at present. The Government have further failed to grasp the central obligation that follows from that—that those bodies should be held to account by representatives from each region who are chosen by the people of that region.

My party would argue that those representatives should reflect the votes in those regions, but in three regions the Government came second or third in share of the vote at the last general election. Even if we do not win that argument, the Government should at least propose Select Committees that reflect the balance of political representation in each region, which differ hugely from each other. The Committees should also reflect the differences between the regions, but the Leader of the House—as she confirmed earlier in an answer to my hon. Friend the Member for Somerton and Frome (Mr. Heath)—has failed to accept that.

We propose that the same principle should apply that—it could be argued—currently applies to the Scottish and Welsh Committees. Scotland and Wales have a majority of Labour Members, and so do the Committees. Northern Ireland has never had the benefit of a fair system: there are nine MPs from the Democratic Unionist party and nine others, but that balance is not reflected on the Northern Ireland Affairs Committee.

It is now proposed that the Government should have a majority on the regional Committee for every one of the eight regions of England. At the last general election, the Government did not win the largest share of the vote in the east, south-east or south-west of England. Indeed, they came third in the south-east and the south-west—regions with millions of people. The Government are trying to impose their majority in all of England, when they do not have a majority in every region. Worse, they are trying to fiddle the system so that they can bus in colleagues from other regions to make up their majority. They are insisting that the Grand Committees, made up of all the Members from every party, should have up to five other nominated members. Not content with corrupting the balance on the Select Committees, the Government also want to pervert the balance of the Grand Committees. The Leader of the House must understand that that is causing the greatest offence and suggests great disrespect to the people in many of the regions, some of whom already think that their region is an artificial creation or difficult to accept. They are being told that not only do they have to accept those artificially created regions, but that they will have imposed on them a Government majority, no matter how they have voted in the past.

Mr. Gummer: Does the hon. Gentleman agree that the Leader of the House is wrong to make a direct comparison with other Select Committees? They are subject-based and therefore properly represent the whole of the House of Commons. The new Committees would be regionally based and, therefore, should represent those who have an interest in that region.

Simon Hughes: The right hon. Gentleman is right. That is why we have also argued that the Chairmen of the new Committees should not be paid the same as the Chairmen of a UK-wide subject-based Committee. Eight new Committees are proposed, so we suggested that the Chairmen should be paid an eighth of what the other Chairmen are paid. If that is not accepted, we share the view of the hon. Member for Thurrock (Andrew Mackinlay) that, at least to start with, those posts should not be remunerated. Otherwise, we will just be accused of creating more jobs at public expense.

May I make a point to endorse what was said by the right hon. Member for Maidenhead (Mrs. May)? We have 41 Select Committees. If we agree to this proposal, there will be 49. There will then be a Speaker's Conference, with the same powers as a Select Committee, which

[Simon Hughes]

makes 50. There will be 72 more members of Select Committees as a result of such a decision being taken today, and more as a result of there being a Speaker's Conference, which we are to appoint later.

At the moment, 159 colleagues serve on more than one Select Committee, eight serve on as many as four and I have to tell you, Mr. Deputy Speaker, if you are not aware of it, that many Committees struggle to achieve an adequate attendance. It does the credibility of the House no good to have a small and sometimes inquorate number of colleagues on Committees sitting to take evidence from whomever we call. That is not good for our reputation and it is why we ask the Leader of the House, before adding another range of Select Committees to our armoury, to defer all these debates until we can review the workings of Select Committees generally.

Julia Goldsworthy: I remind my hon. Friend that we are looking at establishing regional Select Committees to replace the regional assemblies, which many people in my constituency considered far too remote, indirectly elected and unaccountable to the needs of their local area. Does he share my consternation in relation to how a regional Select Committee, which might contain Members who do not even represent part of the region concerned and which will have no direct democratic accountability, might be considered preferable by any of my constituents? I sincerely doubt that they will consider it satisfactory.

Simon Hughes: My hon. Friend and my hon. Friends from the south-west have the strongest reasons for objecting to the way this is going to work out. The south-west stretches from Tewkesbury in the north and Swindon in the east down to the Isles of Scilly. At the last election, Labour won 13 seats, we won 16 and Conservatives won 22, so Labour has the least number of seats, but it is now being proposed that, instead of the regional assembly, Labour colleagues will dominate a Committee representing an area of that size. By definition, that means that Conservative and Liberal Democrat Members cannot be chosen to represent Somerset, Cornwall, Devon, Gloucestershire and the other areas—it cannot happen. The people of those regions and the organisations of those counties will look to a Select Committee to look after their interests, but that cannot be done because, as anyone in the House knows, the interests of Cornwall might be different from those of Gloucestershire.

Friends often make the point to me, which I think is correct, that the population of that region is bigger than that of Scotland, Wales and Northern Ireland. I believe that the area is bigger geographically than two of those three countries, and the distance—I am often reminded—from Scilly to Bristol is greater than that from Bristol to Scotland. I hope that I am indicating that a common, one-size-fits-all answer is entirely inappropriate.

I want to make three last points.

Sir Peter Soulsby (Leicester, South) (Lab): Will the hon. Gentleman give way?

Simon Hughes: No, I am conscious of the time. I respect the hon. Gentleman's interest, but will he please bear with me?

The regions are hugely different too. The north-east, which has 30 MPs, has fewer than half as many as the south-east, yet we are saying that the Committee must have the same structure, the same number of MPs involved and, yes, the same blessed Labour majority.

Sir Peter Soulsby: Will the hon. Gentleman give way?

Simon Hughes: All right, go on.

Sir Peter Soulsby: I thank my fellow member of the Modernisation Committee for giving way. Does he not accept that the strength and credibility of Select Committees are enormously enhanced by the fact that when they are critical of the Government, as they often are, either directly or indirectly, that happens despite them having a Government majority? *[Interruption.]* I am making a serious point. Does he not accept that if they are seen as being merely partisan, which they will be if they have majorities of the sort that he suggests, they will easily be dismissed by the Government in a most unfortunate way?

Simon Hughes: I have heard disingenuous arguments, but that is about the most disingenuous I have ever heard. No, I do not accept that for a moment. The worst thing is that, having set up this structure, which we support in principle, we will end up losing all credibility, because it will distort political representation. I will tell the hon. Gentleman what makes things worse. He will have read the reports; I have one here, written by Patrick Wintour in *The Guardian* of Tuesday this week. The headline is, "Chief whip plans to punish rebellious Labour backbenchers", and the report states:

> "The government was under fire last night after it emerged that the new chief whip, Nick Brown, is proposing that any Labour MP voting against the government in the past year will not be recommended to sit on all-party parliamentary select committees."

There are different views around the House as to whether that is a bribe or a punishment, but the point is that Select Committees should have the independence of mind to have on them the people who will form a view in the interests of those whom they represent. The Government are abusing that, first, by ensuring that there is a Government majority and, secondly, by then saying that they will put on the Select Committees, if they can find them, only people who will support the Government.

This is a very sad day: when we could have been working out together—in good time and with consensus—a way forward to achieve proper regional accountability, we have, in the end, the Government using the steamroller of their majority and the payroll vote.

I have a final postscript. I share the Leader of the House's view that it is not appropriate to deal with London today, although that is the only issue on which we share common ground. London has some devolved government and the London assembly. It is therefore appropriate that London should be dealt with on a different occasion and in a different way.

Mr. Andrew Pelling (Croydon, Central) (Ind): Will the hon. Gentleman give way?

Simon Hughes: No.

As for the rest, I hope that colleagues will vote for many of the amendments on the Order Paper. At least then we can rescue the Government from their mistakes. Otherwise, we will be completely abusing the opportunity that we have to provide decent regional accountability.

3.35 pm

Andrew Mackinlay (Thurrock) (Lab): I have tabled three amendments. The first draws attention to the fact that there is an injunction, as it were, that the Committees should not meet very often. That is absurd. If I were serving on such a Committee, I would not be constrained by that request—or, rather, hope—but would want to stretch the envelope to the maximum to ensure that the Committee was at least of some value. The proposal is nonsense and shows that the idea has not been fully thought through. I will not divide the House on that amendment, but I mention it to highlight my other amendments. If I am right in my judgment that the envelope will not be stretched, why should we pay the Chairmen of those Committees the same as we pay the Chairmen of departmental Select Committees? The idea is simply bonkers.

In addition, there is the high payroll vote, which has already been referred to—I discovered in 2005 that 144 hon. Members were not on the basic MP's pay, and the figure must be a lot higher now. I urge hon. Members to reflect on that, because it is very unhealthy to say the least. There is also the paradox of the Deputy Leader of the House, who is not paid a bean for his ministerial role, advocating that Chairmen should be paid. Greater love hath no man than this, that he lay down his salary for his friends. The growth of the payroll vote and the patronage that goes with it is very unhealthy.

I hope to divide the House on my amendment dealing with that issue, because, even if I am wrong in my judgment that those Chairmen should not be paid at all, if the House accepts my amendment, there can be a period of reflection. Perhaps they should be paid a per diem, but not on the same rate as the Chairs of the departmental Committees. I hope that I will take the House with me on that.

My second concern of substance is the provision in the proposed Standing Order that would allow a regional Committee to invite

"specified elected councillors from the region in respect of which it is appointed...to attend and participate".

Have we no pride? I fought hard to get elected to this place. It was five general elections before I got elected. I am proud to be a Member of Parliament and my duties as a Member of Parliament are indivisible. Councillors' jobs are very important, but we should not blur the issues by bringing the two together. I urge hon. Members to stand up for Parliament and be jealous of their rights and privileges.

Mr. Harper: Will the hon. Gentleman give way?

Andrew Mackinlay: No.

Privileges are important, because what happens under parliamentary privilege? I can be admonished by the House if I abuse parliamentary privilege. We are self-regulating. How can you deal with someone who is not a Member of this House, but who abuses parliamentary privilege, Mr. Deputy Speaker? Will we have a separate register of interests for these people? The idea has not been thought through, which is why I hope that we will reject it, if for no other reason than that.

When I was a young councillor, I would have been proud to serve on a parliamentary Committee—I would have given my right hand to do so—but I was very partisan and saw it as my mission to get elected to this place. We can imagine the councillors coming in, taking on the Minister here and the official there, but that will diminish what I hope we try to do, which is to leave our party allegiances at the Committee Room door. I do not know whether there are any Scottish or Welsh Members in the Chamber, but if having elected councillors is good for me in Essex, I shall similarly be proposing that some people from Scottish local authorities and assemblies should serve on the Scottish Affairs Select Committee, too. What is being proposed really is mad, so I ask hon. Members to join me in the Lobby against those two proposals.

My final point is about Members of Parliament who are not from the region concerned serving on, say, the south-west regional Committee. I have asked myself, "Could I possibly do this?" In my judgment, I would have to be stark staring bonkers to go and serve on a Committee covering a region of which my constituency formed no part. Surely we are all busy. I must say that those who sign up will do so with full knowledge and consent, and will be subject to criticism by their electors. Their electors will ask: "What the devil are you doing focusing on that region and not ours?"

Earlier, one of the Whips muttered to me, "What about Ireland?" That is a different situation, because the question of Northern Ireland is demonstrably, because of its history, a United Kingdom matter. However, when people go from one region to another, they will be subject to criticism. They must remember that they have to agree under Standing Orders to serve on a Committee, so they cannot blame the Whips or hide behind them, or excuse themselves. They will have signed up, so they can be subject to criticism.

DEFERRED DIVISION

Mr. Deputy Speaker (Sir Michael Lord): I now have to announce the result of the Division deferred from a previous day.

On the question relating to dangerous drugs, the Ayes were 430, the Noes were 54, so the Ayes have it.

[The Division List is published at the end of today's debates.]

Regional Accountability

Question again proposed, That the amendment be made.

3.40 pm

Sir George Young (North-West Hampshire) (Con): I rise to speak to amendment (a) to motion 7. I note that because of the guillotine motion, there are only 30 minutes for all Back Benchers to speak in this debate.

The amendment would abolish the Regional Affairs Committee. Colleagues could be excused for not knowing that there was one. Standing Orders require one to be established, but the Government have not done so in this Parliament. Week after week at meetings of the Committee of Selection, we wait for the Government to propose members of the Committee, yet nothing happens. The Government clearly must feel that the Committee serves no useful purpose, so I hope that they will accept the amendment.

The Regional Affairs Committee, to remind colleagues, was applauded when it was introduced. In 2000, the then Leader of the House, the right hon. Member for Derby, South (Margaret Beckett), said:

"We believe that such a forum will add usefully to the procedures of the House". —[*Official Report*, 11 April 2000; Vol. 347, c. 295.]

The Committee has been so useful that it has not met since April 2003, which indicates that it is a wholly dispensable part of our constitution. The amendment would simply put it out of its misery.

That is relevant to today's debate, because it shows that the Government have form in coming up with the wrong answer to the regional question. We told the Government eight years ago that it would not work. In a powerful speech, the then shadow Leader of the House—me—said that the Government had come up with the wrong answer. That debate ended in the small hours of the morning of 12 April, which shows how long ago it was. We lost by 60 votes, which was a good result at the time. That proposal came from straight from the Government; it was not even laundered through the Modernisation Committee, as the proposals that we are debating have been.

That brings me to my second point. When the Prime Minister announced the new Committees in the "Governance of Britain" Green Paper, he said:

"Consideration of changes to the way the House of Commons operates is ultimately a matter for the House itself".

However, if we turn to page 42 of the Modernisation Committee report, what do we find? It states:

"Draft Report (Regional Accountability), proposed by the Chairman, brought up and read."

Who is the Chairman? The Leader of the House is the Chairman. We can see on page 52 that the Committee tied, and that the Chairman declared herself for the Ayes. That does not strike me as leaving the matter to the House to decide. Rather, it strikes me as the Government obliging the House to accept something that it does not want.

We then have the ultimate of absurdities, the Government response, which begins:

"The Government welcomes the report from the Modernisation Committee on Regional Accountability".

Who presented this report to Parliament? It was none other than the Leader of the House—it is straight out of Gilbert and Sullivan. Frankly, it is an abuse of the Select Committee procedure. Every other Select Committee is chaired by a Back Bencher and contains no Ministers, because Select Committees are instruments of the House to hold the Government to account. The Modernisation Committee is an instrument that the Government are using. That could weaken our ability to hold them to account because of the impact on existing Select Committees, which brings me to my third and final point.

A little-read document, "Sessional Returns", shows how the existing pressure on the time of colleagues affects their attendance on Select Committees. The average attendance for the most prestigious Committee—the Public Accounts Committee—for the last year for which figures exist, was 47.2 per cent. So, for most of the meetings, most of the members were not there. I say that not in a spirit of criticism of colleagues, but as a statement of fact. There is a lot of pressure on our time because the Government have packed everything into two days of the week. The Regulatory Reform Committee manages 42.3 per cent. attendance, and five of the 14 members attended no meetings at all in the last Session for which there are records. The figures for the Environmental Audit Committee are 44.5 per cent. and for the Trade and Industry Committee 50.2 per cent. For the Scottish Affairs Committee and the Welsh Affairs Committees—those most like the new regional Select Committees—the figures are 56 per cent. and 52 per cent. Where, then, are the folk sitting on these new Select Committees coming from; and if they turn up, what will happen to the existing ones?

I, too, read in *The Guardian* that the Government Chief Whip is going punish those who vote against the Government by refusing to put them on Select Committees. He has got it exactly wrong: the punishment is being put on a regional Select Committee, and for voting against the Government twice, it is being put on a regional Select Committee for a region other than the one the Member represents! Many other arguments cut across existing Select Committees, and regional Ministers do not have responsibility for the all the budgets or all the issues. The propositions before us are a nonsense, and I hope the House throws them out at 4.18.

3.46 pm

Mr. Neil Turner (Wigan) (Lab): The Leader of the House and my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) made a very good case for having regional Select Committees on the grounds that they will scrutinise the work of Government regional bodies. The case was well made, but there is another important issue that is too easily forgotten. The agenda of bringing our regions closer together—for example, making it possible for the north-west and the west midlands to have the same "gross value added" as London and the south-east—is very important. To make that regional agenda happen means more than looking into regional bodies, quangos and other Government agencies, as it is also about looking into business, the voluntary sector and the whole community in the regions concerned. I believe that regional Select Committees have an important job to do in bringing all those elements together, ensuring that we have a coherent and

cohesive tale to tell. That would help to bring the GVA of our region, currently below the national average, up to it.

The right hon. Member for Maidenhead (Mrs. May) spoke about the £2 million cost. It is easy to look at the costs, but what about the benefits? With an increase of merely 0.1 per cent. in the GVA of the north-west, that £2 million would pale into insignificance. As we scrutinise these various bodies, we need to ensure that they become better and take better decisions. The likelihood is that, as a result of better scrutiny, the regional development agencies, the learning and skills councils and other local bodies that my colleagues have mentioned will actually perform better.

Mr. Gordon Prentice (Pendle) (Lab): Speaking as a Member who is unlikely to be put on a regional Select Committee, may I ask my friend whether a better job of work might not be done through a regional Grand Committee, which was advocated by the shadow Leader of the House?

Mr. Turner: No, I do not think it would. It would be too large and unwieldy, unable to do the job properly.

We are sometimes seen as being out of touch, which makes it important that regional Select Committees meet in their respective regions. It is essential that we take Parliament out of here and to the people; let us have meetings there, so that people can properly see the work we do and value it that much more.

Another positive factor is that these regional Select Committees are non-departmental. We all know that health problems, economic problems, transport and skills problems impact on each other. It is important to avoid the silos of Departments, which can detract from our ability to look across at the issues and come up with the solutions. The regional Select Committees, in being non-departmental, will have that ability to look across the region and provide solutions that involve all the people of the region—the quangos, the outside bodies, businesses, the trade unions and so forth. That is an important innovation, and once we have some experience of these regional Select Committees up and running, we can think about extending the concept further. We could look more into scrutinising issues rather than Departments.

Finally, let me say that the regional Select Committees must be proactive. We should not just consider what has been done and the decisions that have been made. The regional agenda is so important that the Committees will need to be involved with the issues at the heart of it. They will need to be proactive and involve people, so that we can put everything together and establish a regional agenda that includes what the region needs for the future.

3.50 pm

Sir Nicholas Winterton (Macclesfield) (Con): Let me establish straight away that I intend to vote against regional Select Committees but to support regional Grand Committees, and that I think the Modernisation Committee should have supported them in its report to the House. That might, as the Leader of the House would say, have constituted only a halfway house towards what—for whatever purpose—she wishes to achieve, but I believe it would have indicated whether or not Committees of this kind were required.

I can tell the hon. Member for Thurrock (Andrew Mackinlay) that I shall certainly support his amendments. They are sound: he is a House of Commons man, and he has given considerable thought to them. I also supported the speech of the hon. Member for North Southwark and Bermondsey (Simon Hughes), which I thought extremely balanced; and of course I supported every word—without exception—uttered by my right hon. Friend the Member for North-West Hampshire (Sir George Young).

Let me say to the Leader of the House that I only wish some Labour Members—particularly the right hon. and learned Lady herself and her deputy—would take account of some experience. Perhaps I cannot claim much experience myself, but, like my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), I have been in the House for more than 37 years, and I have served on Committees since 1975, so I do have some.

I chaired the Select Committee on Health and suffered as a result of the actions of my own party, but I make no play of that during this debate. I have also been the founder Conservative member on the Modernisation Committee, which the Leader of the House now chairs, and for two Parliaments I chaired the Procedure Committee. I therefore hope the Leader of the House will accept that I have an understanding of the way in which the House operates and also of its procedures.

My position is nothing to do with a party-political position. I have one objective for the remainder of my time in the House, and that is to restore to the Floor of the House and to Back Benchers greater authority over the way in which the House operates and spends its time. I am therefore deeply unhappy about what the Government have proposed.

I have to say, using a rather unfortunate word, that I believe that these proposals are a sheer abortion. I believe that they constitute an abuse of the House. I believe that little thought has been given to the membership of the regional Select Committees and to all the problems raised by the hon. Member for Thurrock, in his excellent speech, relating to the addition of councillors to the Select Committees. And how are the Committees to be comprised, given that political parties have very few Members in particular regions?

Let me say to the right hon. and learned Lady, who holds a number of positions, that I believe that these matters have not been thought through and clearly should have been thought through, not only by her and those who advise her but, to a greater extent, by members of the Modernisation Committee.

Mr. Gummer: Does my hon. Friend agree that in many regions, such as my own in the east of England, almost every Labour Member is already an office-holder? We shall have a whole lot shipped in from the north-east, while others from elsewhere will not be made Committee members because they are not of a suitable kind.

Sir Nicholas Winterton: I am inclined to agree with my right hon. Friend.

[Sir Nicholas Winterton]

We want to appeal to the public out there. We do not want to increase disillusionment. However, I believe that what the Modernisation Committee is proposing, mainly on the basis of the casting vote of the Leader of the House, will increase disillusionment. For instance, in this debate we are being allowed a mere five minutes in which to express our opinions on fundamental changes to the House. I repeat that my whole purpose is to return to this House some independence and integrity from the Executive, so I hope that, even at this late stage, the Leader of the House will be prepared to think again on some of these proposals. They are ill-judged, they will serve the House badly and they will not restore public confidence in this place and our role as representative Members of Parliament.

3.55 pm

Mr. Andrew Dismore (Hendon) (Lab): I rise to speak to the amendments standing in my name, which are supported by 14 London Members in total and particularly address the London dimension. I am pleased that my right hon. and learned Friend the Leader of the House discussed that in her opening remarks, and I am grateful for the constructive discussions that we have had over the past couple of days to try to resolve the position of London.

London is the biggest region; it contains 7.2 million people and is growing. It is different from the rest of the country; it has the Mayor and the Greater London authority. There remains a major role for central Government to play; there are a large number of non-devolved areas and a large number of areas where they work in partnership with other agencies. There is an overwhelming need to ensure proper co-ordination of Government key programmes, and that can be done effectively only through parliamentary scrutiny provided by a London Select Committee. There will be no difficulty with political balance in a London Committee, because London is one of the few regions that has plenty of Members from all the parties, which will ensure that we can staff it ourselves. Our area has the Government office for London—other regions have similar bodies—which also ought to be accountable to Parliament. We have our own Minister for London, and he ought to be accountable to us, as should his two assistant Ministers.

London is different: it accounts for 16.7 per cent. of the UK's economic output; and economic difficulties, such as those facing us now, have a particularly severe impact on the City and financial services jobs. In many ways, the downturn's impact in London is different from that in the rest of the country. We also need to address the issues associated with deprivation in London. Four of the top eight—or the bottom eight, depending on how one looks at this—most deprived authorities in England are in London. The city has serious child poverty; 50 per cent. of children in inner London are in low-income households. The benefits regime operates very differently in London, because of the high cost of living, the way in which housing benefit works and the low take-up of tax credit. The Government office for London programmes, the new deal for communities, the delivery of decent homes and neighbourhood renewal and regeneration are all issues on which we should have a say.

The issue of health also needs to be considered. London has its own regional strategic health authority—NHS London—and the Government office for London examines inequalities in life expectancy and infant mortality. What is contained in the huge change that NHS London is introducing must be subject to detailed scrutiny. The Darzi review deals with issues of general practitioner access, the controversial polyclinics, the reconfiguration of hospital services, the potential separation of elected and acute services, and the possible controversial closures of certain general hospitals. We must also consider the joint commissioning being organised among the primary care trusts and the, unfortunately low, take-up of some of the immunisation programmes. The PCTs have local authority scrutiny panels, but we do not have a similar arrangement at the strategic, London-wide level, which a London Select Committee could provide.

Transport for London deals with buses and the tube, but the enormous £5.5 billion Thameslink modernisation programme comes under the Department for Transport, not TFL. There is a new, enormous involvement from central Government in the Crossrail programme to consider and, of course, only yesterday we debated a third runway at Heathrow—that central Government policy decision will have a major impact on London across the board. Then there is the Olympics to consider, in which the Government have a major role to play. We have our own Minister for the Olympics, who ought to be accountable to Parliament through a Select Committee arrangement.

The case for a Select Committee for London has been strongly made. A London Committee does not have to follow exactly the same model as the other Committees, and it is thus right that we should consider it in the context of devolution to London. Special problems face London, and I hope that the Leader of the House's consultation on this matter will be short and sharp. I hope that she will be able to come back to the House in the early new year with concrete proposals to ensure that London gets the representation and the scrutiny of the Minister, of the Government office for London and of all the other bodies that we should be able to achieve for London Members in this House.

3.59 pm

Robert Key (Salisbury) (Con): I am pretty sceptical about whether the arrangements will work, and that will no doubt be reflected in the way in which I vote tonight. However, I commend the Government for recognising that we have a problem and for at least attempting to put it right.

In the county constituency of Salisbury, we tend to take the long view. The first Members of Parliament were sent here from Salisbury in 1265, in 1346 eight Members of Parliament represented the area that I now represent and until 1832 we still had more than one MP—the democratic representation of my area has changed.

One or two things have been imposed on the area. The first is the strange and arbitrary idea of where the south-west starts and ends. Indeed, all the regional boundaries are pretty artificial. They were a world war two attempt to divide up the country for administrative reasons, and I regret that the right hon. Member for Kingston upon Hull, East (Mr. Prescott), when he was

Deputy Prime Minister, did not decide to rearrange the regions. I, for example, feel myself to be a man of Wessex rather than of the west country. I have always regarded Bristol as being in the west midlands—*[Interruption.]* My hon. Friends laugh, but that is the whole problem. Those who represent the south-west, like me, and who know it well fully understand how remote it feels to be in Penzance while life-affecting decisions are taken in Bristol, which could be on the moon as far as most people are concerned. We have a problem.

Having been born in Plymouth, having lived in Salisbury and Truro and having spent the larger part of my life in Salisbury, I understand that even within our regions there are huge variations in how our services from central Government are delivered, what expectations we have and what our people have to offer the nation. One thing that is absolutely clear is that we should make every possible attempt to ensure that this House remains the Parliament of England. I do not wish to see any other Parliament established anywhere calling itself an English Parliament. That would be appalling and would go against 1,000 years of our history.

We have to try to work out a way of ensuring that there is a greater sense of identity and empowerment and better delivery of services. I recognise that, when I was a local government Minister, my noble Friend Lord Heseltine, as Secretary of State, invented the idea of regional Government offices. My right hon. Friends the Members for North-West Hampshire (Sir George Young) and for Suffolk, Coastal (Mr. Gummer), who are sitting beside me, know more about that than me, because they had related responsibilities. However, there was never any intention that there would be elected regional assemblies. I regard what is happening today as a sort of revenge for the fact that the regional assemblies did not work.

We have to be very careful that we do not cause more trouble than it is all worth. I am keen to see that we give a fair wind to some of these ideas, if only to prove that they are wrong. We must somehow recognise, as a large number of right hon. and hon. Members from all parties have suggested, that there are real problems with our identity. We cannot devolve responsibility for matters such as fire and rescue services upwards to a regional body from our local authorities without having local accountability for them, which is just one example of many.

I am sceptical whether this proposal will work, but it is an attempt that we should not completely write off. Unless we have a better suggestion, we should perhaps be a little cautious in our approach.

4.3 pm

Richard Burden (Birmingham, Northfield) (Lab): It is a great pleasure to follow the hon. Member for Salisbury (Robert Key), not least because I have discovered for the first time that Bristol is part of the west midlands, something that had passed me by until now.

I broadly welcome the proposals, for many of the reasons that my hon. Friends have given. I want to offer a word of reassurance and to raise a couple of matters of concern. The welcome that I would like to give the proposals follows on from what my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) said. I get the impression that my constituents think that I have three roles that they want me to take up. The first is as a local advocate—a local champion in the local area. That works in some cases, not in others, but it is generally clear. The second is a national role, whether it involves raising their concerns on a national stage or participating in the national formulation of legislation, national scrutiny and so on. The element that is missing is the regional and sub-regional issues that affect my constituents, in which the local MP has an unclear role, at best. That is where there is a gap.

In the past, that was occasionally changed by force of circumstance. For me, the gap was partly bridged a few years ago by the Rover crisis at the Longbridge plant in my constituency. A taskforce was set up that involved stakeholders in the region and local MPs, and that began to bridge some of the gaps that I have identified.

I think that the creation of regional Ministers—and now the councils of regional Ministers, and so on—has also begun to bridge some of those gaps, although there is still a gap in accountability at regional level. That is a problem. The regional Select Committees cannot be the only remedy, but they will help to address the problem.

It is important that we retain the Select Committee principle, because they will need the inquisitorial approach that such Committees can bring to bear. I do not think that they should be an alternative to the Grand Committees—I believe that it is quite a good idea to have both structures—but we should not lose the inquisitorial approach.

There are some issues that I want to flag up, but first I want to reassure the House about the question of duplication between the roles of different committees. Yes, there will be duplication, but I am not scared of that. By our nature, we already duplicate all sorts of things. Overlaps exist—regionally and locally, regionally and nationally and even between Departments.

I am a member of the International Development Committee, whose job overlaps with that of the Foreign Affairs Committee and, increasingly, with that of the Defence Committee. Issues to do with the Post Office affect the Department for Business, Enterprise and Regulatory Reform and often the Department for Work and Pensions as well. Another example would be the way in which issues to do with climate change and energy overlap Departments. In addition, we already have the Public Accounts Committee, which by its very nature is cross cutting and overlaps the work of other Committees. Therefore, we should not be too cautious about this proposal. Will the result be messy sometimes? Yes, absolutely—but that is because politics and what we have to deal with are often messy.

I have two areas of concern. First, I am uncomfortable—for practical reasons and for reasons of principle—with the idea that regional Select Committees should have a majority of people from another region. That is a problem, and I am not sure that it will work. If we go ahead with the experiment, I hope that it will be reviewed as soon as possible. I am uncertain that it will work, and in that I agree with my hon. Friend the Member for Thurrock (Andrew Mackinlay).

However, I disagree with my hon. Friend about the question of inclusion, which is my second concern. We should not be too precious about restricting the involvement of the regional Select Committees to MPs alone. While it may be right to restrict the membership to MPs, I

[Richard Burden]

agree with my hon. Friend the Member for Wigan (Mr. Turner) that the committees should also be outward looking and involve local authorities and other stakeholders in the regions.

We know that people up and down the country are disengaged from politics. If we can do something about that by creating these Committees, we should seize the opportunity.

4.8 pm

Andrew George (St. Ives) (LD): I am aware of the time pressures on contributions to the debate, and I hope that the Leader of the House will reflect on them and on the dilemmas faced by Back Benchers as a result. I believe that, in future, Back Benchers should be given a protected opportunity to question a Minister—or, in this case, the Leader of the House—according to a procedure similar to that used by the European Scrutiny Committee.

We have not had that opportunity today. Like other hon. Members, I have wanted to intervene on the Leader of the House on many occasions today, only to find that she would not accept an intervention. Having voted the proposals through as Chair of the Modernisation Committee, she is clearly responsible for the policy that we are debating. I believe that we need to be able to scrutinise the matter far more than we have been able to do so far.

I also want to query the Government's sincerity in bringing forward these proposals. As the right hon. Member for North-West Hampshire (Sir George Young) explained earlier, we were assured that the creation of the Regional Affairs Standing Committee would fill the gap left by devolution to Scotland, Wales and London. However, it was within the gift of Ministers to decide when that Committee would be called and what subjects would be debated, so in the end the full opportunity that the Committee offered was never properly used.

In fact, the Government had a perfect opportunity immediately after the north-east referendum to reflect on why their plan and approach at that stage had failed so catastrophically. However, they failed to learn the lesson from that that devolution is all about letting go, not about holding on for dear life. What the Government in effect did in the north-east was say, "We've decided the boundaries of these places. We've decided what powers. We've decided the timetable. We've decided everything about this. Now do you want it or not?" Such an impatient, centralised approach—demanding from the Government-created zones of the country and expecting them to acquiesce to centralised diktats—clearly demonstrated why the Government had failed.

These regions are not regions in the sense that they have internal integrity and a community of interest. They are Government zones set up for administrative convenience. The Government should loosen up a bit and allow the localities around the country to bring forward their own proposals for the management of all the services that are controlled from central Government. This monstrous and inept policy failure, and the fudge and distasteful abuse of power of the creation of these regional Select Committees, is the inevitable product of a Government who do not want to listen to the regions they have created.

Many hon. Members have pointed up the clear—albeit, perhaps, entertaining—absurdity of what is likely to happen in the Government zone of the south-west. It has been well articulated by my hon. Friend the Member for Somerton and Frome (Mr. Heath). Labour Members from outside the area will be dragooned into sitting—whether or not as willing volunteers. Perhaps the Leader of the House would like to reflect on the fact that several Labour Members from outside the Government zone have come to me and said, "We look forward to being appointed to the Government zone for the south-west Select Committee, because we have enjoyed many holidays in the area and we can go down there and reflect on our holiday experience." That highlights a problem we have to fight against constantly. We always have to punch our way through the impression that the south-west is merely a holiday zone. I hope that the Leader of the House will reflect on that.

4.13 pm

Sir Peter Soulsby (Leicester, South) (Lab): Even in this era of bank bail-outs, the £2.3 billion spent every year by regional development agencies is a very substantial sum. In addition to the money that they have spent in the past on economic development and regeneration, the Government are rightly giving RDAs responsibility for spatial planning, to give better co-ordination at regional level to that work. In addition to the RDAs, on which we have all focused because they are such significant spenders, work on the arts, sport, health and transport is all rightly organised on a regional basis to give an appropriate balance between the strategic overview and local insight and knowledge.

All this work is currently nominally accountable to Parliament through Ministers, but we all know that the reality is very different, and that in fact the RDAs and the many other bodies that organise on a regional basis are not effectively accountable to Parliament, certainly not through Ministers via the sort of questions we are able to ask here, and in many cases the work they do alongside each other is not properly joined up.

Sir Nicholas Winterton: Will the hon. Gentleman give way?

Sir Peter Soulsby: No, I am sorry but I do not have time to give way. I must press on.

The Modernisation Committee had five evidence sessions. In all those sessions, we heard overwhelming evidence about the accountability gap to which the Government are responding in their proposals. Nobody doubted that. It was probably the regional development agencies and other regional bodies that said most strongly that they felt that they were not held to account adequately. They felt that it would be good for their governance if they were better held to account.

I welcome the Government's proposals, particularly on regional Select Committees. Given the evidence that we heard, and the arguments that we engaged in with witnesses, I am firmly convinced—I say this without any arm-twisting from the Whips or persuasion from the Leader of the House—that regional Select Committees are the only effective mechanism by which we can hold a focused inquiry on the work of the many regional

agencies, and hold them properly to account. Those Select Committees will be able to set their own agenda, establish their own inquiries, work flexibly and, of course, publish reports. Those reports will be the subject of debate in the regional Grand Committees, on the Floor of the House, or in Westminster Hall.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will my hon. Friend give way?

Sir Peter Soulsby: I would like to, but I have a few more points to make. I will make them, and then see whether I can give way. The Government have wisely brought forward proposals for both regional Select Committees, which I favour, and regional Grand Committees. The Grand Committees may prove a more effective way of holding regional Ministers to account, but both types of Committee may have ongoing value. I suspect that it will be the regional Select Committees that turn out to have enduring value, to be of more interest to Members, and to be more effective in holding regional bodies to account. However, it may be that both types of Committee prove to be long-term solutions.

I have listened to the debate carefully, and many of the protests that we have heard are way out of proportion to the nature of the proposals before us. What is being put before us is an experiment that is to take place up until the next election, which is less than 18 months away. The experiment is quite modest in its costs, which are well under £2 million—the figure is £1 million or £2 million. That is barely a tenth of 1 per cent. of the expenditure of regional development agencies alone, never mind all the other regional bodies. That seems a small price to pay in the search for effective regional accountability.

4.17 pm

Sir Patrick Cormack (South Staffordshire) (Con): Mr. Deputy Speaker—

Sir Nicholas Winterton: You have only five minutes.

Sir Patrick Cormack: I do not even have five minutes. Let me make three points. First, we have artificial regions in this country, as many people have said. Secondly, the burden that the Select Committees will put on the workings of the House, and the clashes and conflicts with existing Select Committees, have not been properly thought out. Thirdly, I am totally opposed to drafting on to a Committee Members who have no connection with the region in question; that is grotesque. It is an appalling suggestion. The Grand Committees could be made to work, as long as Members from other regions are not drafted in. It is a good idea for all the Members who represent a designated region to meet once or twice a year, and to have Ministers before them; I accept that. However, to add on regional Select Committees, to pay the Chairmen of those Committees—

It being one and a half hours after the commencement of proceedings on the motion, MR. DEPUTY SPEAKER *put the Question already proposed from the Chair, pursuant to Order [this day].*

Question put, That the amendment be made:—

The House divided: Ayes 233, Noes 250.

Division No. 317] **[4.18 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Flynn, Paul
Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew

Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Sheerman, Mr. Barry
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stringer, Graham
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Matthew
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Richard Benyon and James Duddridge

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward

Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Singh, Mr. Marsha
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Tami, Mark
Taylor, Ms Dari
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Helen Goodman and
Ms Diana R. Johnson

Question accordingly negatived.

Mr. Deputy Speaker then proceeded to put the Questions necessary for the disposal of the business to be concluded at that hour.

Amendment proposed: (a), in line 6, after '(Cm 7376)', insert

'except that Chairmen of regional select committees shall not be paid.'. —*[Andrew Mackinlay.]*

Question put, That the amendment be made:—

The House divided: Ayes 239, Noes 237.

Division No. 318] **[4.33 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Cummings, John
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Gale, Mr. Roger
Gapes, Mike
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Iddon, Dr. Brian
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pope, Mr. Greg
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John

Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Kelvin Hopkins and Paul Flynn

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, Paul
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Humble, Mrs. Joan
Hutton, rh Mr. John
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Knight, rh Jim
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Singh, Mr. Marsha
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Tami, Mark
Taylor, Ms Dari

Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Ms Diana R. Johnson and Helen Goodman

Question accordingly agreed to.
Main Question, as amended, put:
The House divided: Ayes 254, Noes 224.

Division No. 319] **[4.46 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Knight, rh Jim
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Singh, Mr. Marsha
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Watson, Mr. Tom
Watts, Mr. Dave

Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Ms Diana R. Johnson and Helen Goodman

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prentice, Mr. Gordon
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Skinner, Mr. Dennis
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stringer, Graham
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Richard Benyon and James Duddridge

Question accordingly agreed to.

Resolved,

That this House welcomes the Third Report from the Select Committee on Modernisation of the House of Commons on Regional Accountability (HC Paper No. 282); approves the proposals for regional select and grand committees for each of the English regions set out in the response from the Government in the White Paper, Regional Accountability (Cm 7376), except that the Chairmen of regional select committees shall not be paid; accordingly endorses the clear expectation that the regional select committees should meet significantly less frequently than departmental select committees; and considers that the combination of select committees providing opportunities for inquiries and reports into regional policy and administration together with opportunities for debate involving all honourable Members from the relevant region will provide a major step forward in the scrutiny of regional policy.

REGIONAL SELECT COMMITTEES

Motion made, and Question proposed,

That the following new Standing Order and amendment to temporary Standing Orders be made, with effect from 1st January 2009 until the end of the current Parliament—

A. New Standing Order

Regional select committees

(1) Select committees shall be appointed to examine regional strategies and the work of regional bodies for each of the following English regions:

(a) East Midlands

(b) East of England

(c) North East

(d) North West

(e) South East

(f) South West

(g) West Midlands

(h) Yorkshire and the Humber.

(2) Each committee appointed under this order shall consist of not more than nine members; and, unless the House otherwise orders, all Members nominated to a committee shall continue to be members of that committee for the remainder of the Parliament.

(3) A committee appointed under this order shall have power—

(a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn to any place within the United Kingdom, and to report from time to time;

(b) to appoint specialist advisers either to supply information which is not readily available or to elucidate matters of complexity within the committee's order of reference;

(c) to invite—

(i) Members of the House who are not members of the committee but represent constituencies within the region in respect of which it is appointed, and

(ii) specified elected councillors from the region in respect of which it is appointed

to attend and participate in its proceedings at specified meetings (but not to move motions or amendments, vote or be counted in the quorum).

B. Amendment to Temporary Standing Order of 13th July 2005: Liaison Committee (Membership)

At end add—

(4) In addition to the members appointed under paragraphs (2) and (3) of this order, one Member who is for the time being the Chairman of a Regional Select Committee shall be a member of the Liaison Committee.

(5) The question on a motion in the names of the chairmen of all the Regional Select Committees to nominate a member of the Liaison Committee under paragraph (4) shall be put forthwith and may be decided after the moment of interruption.—*[Chris Bryant.]*

Amendment proposed, (b), in line 18, after 'members', insert

'who represent constituencies within the relevant region'.—*[Simon Hughes.]*

Question put, That the amendment be made:—

The House divided: Ayes 90, Noes 235.

Division No. 320] **[5 pm**

AYES

Alexander, Danny
Allen, Mr. Graham
Baker, Norman
Barrett, John
Beith, rh Sir Alan
Bercow, John
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Clegg, rh Mr. Nick
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, Mr. Dai
Davies, Philip
Dodds, Mr. Nigel
Farron, Tim
Fisher, Mark
Foster, Mr. Don
George, Andrew
Gerrard, Mr. Neil
Gidley, Sandra
Goldsworthy, Julia
Gray, Mr. James
Grogan, Mr. John
Hancock, Mr. Mike
Heath, Mr. David
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jones, Mr. David
Jones, Lynne
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Leech, Mr. John
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
McCrea, Dr. William
McDonnell, John
Moore, Mr. Michael
Öpik, Lembit
Pelling, Mr. Andrew
Prentice, Mr. Gordon
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rosindell, Andrew
Rowen, Paul
Sanders, Mr. Adrian
Spink, Bob
Steen, Mr. Anthony
Stunell, Andrew
Swinson, Jo
Tapsell, Sir Peter
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Truswell, Mr. Paul
Tyrie, Mr. Andrew
Walter, Mr. Robert
Webb, Steve
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Young, rh Sir George

Tellers for the Ayes:
Richard Younger-Ross and John Hemming

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian

Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fitzpatrick, Jim
Fiello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, Paul
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Knight, rh Jim
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Malleber, Judy
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffett, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Sloate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Helen Goodman and Ms Diana R. Johnson

Question accordingly negatived.

Amendment proposed: (c), in line 20, at end, insert–

'(2A) In nominating Members to the Committees under this order, the Committee of Selection shall have regard to the proportion of Members of each party representing constituencies in the relevant region;

(2B) Notwithstanding paragraph (2A), the Committee of Selection shall nominate at least one Member from each of the three largest parties to each Committee.'.—*[Simon Hughes.]*

Question put, That the amendment be made:—

The House divided: Ayes 229, Noes 231.

Division No. 321] **[5.11 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Allen, Mr. Graham
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Fisher, Mark

Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Grogan, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Health, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Lull, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Martlew, Mr. Eric
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rosindell, Andrew
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Mr. Anthony
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Paul Rowen and
John Hemming

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clelland, Mr. David
Coaker, Mr. Vernon
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Crausby, Mr. David
Creagh, Mary
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fitzpatrick, Jim
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann

Kennedy, rh Jane
Kidney, Mr. David
Knight, rh Jim
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Macleggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marsden, Mr. Gordon
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Other, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheridan, Jim
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Speller, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wooley, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Helen Goodman and
Ms Diana R. Johnson

Question accordingly negatived.

Amendment made: (d), in line 31, leave out from 'appointed' to end of line 33.—*[Andrew Mackinlay.]*

Main Question, as amended, agreed to.

Ordered,

That the following new Standing Order and amendment to temporary Standing Orders be made, with effect from 1st January 2009 until the end of the current Parliament:—

A. New Standing Order

Regional select committees

(1) Select committees shall be appointed to examine regional strategies and the work of regional bodies for each of the following English regions:

(a) East Midlands

(b) East of England

(c) North East

(d) North West

(e) South East

(f) South West

(g) West Midlands

(h) Yorkshire and the Humber.

(2) Each committee appointed under this order shall consist of not more than nine members; and, unless the House otherwise orders, all Members nominated to a committee shall continue to be members of that committee for the remainder of the Parliament.

(3) A committee appointed under this order shall have power—

(a) to send for persons, papers and records, to sit notwithstanding any adjournment of the House, to adjourn to any place within the United Kingdom, and to report from time to time;

(b) to appoint specialist advisers either to supply information which is not readily available or to elucidate matters of complexity within the committee's order of reference;

(c) to invite Members of the House who are not members of the committee but represent constituencies within the region in respect of which it is appointed to attend and participate in its proceedings at specified meetings (but not to move motions or amendments, vote or be counted in the quorum).

B. Amendment to Temporary Standing Order of 13th July 2005

Liaison Committee (Membership)

At end add—

(4) In addition to the members appointed under paragraphs (2) and (3) of this order, one Member who is for the time being the Chairman of a Regional Select Committee shall be a member of the Liaison Committee.

(5) The question on a motion in the names of the chairmen of all the Regional Select Committees to nominate a member of the Liaison Committee under paragraph (4) shall be put forthwith and may be decided after the moment of interruption.

Mr. Deputy Speaker (Sir Michael Lord): I shall not call motions 5 or 6, as they would be inconsistent with the House's decision on motion 3, as amended. We now come to motions 7 and 8.

REGIONAL GRAND COMMITTEES

Motion made, and Question proposed,

That the following new Standing Orders be made, with effect from 1st January 2009 until the end of the current Parliament:—

A. Regional grand committees

(1) There shall be general committees, called Regional Grand Committees, for each of the following English regions:

(a) East Midlands

(b) East of England

(c) North East

(d) North West

(e) South East

(f) South West

(g) West Midlands

(h) Yorkshire and the Humber

which in each case shall consist of those Members who represent constituencies within the region and up to five other Members nominated by the Committee of Selection, which shall have power from time to time to discharge the Members so nominated by it and to appoint others in their place.

(2) A motion may be made by a Minister of the Crown providing for—

(a) a Regional Grand Committee to sit on a specified day at a specified place in the region to which it relates or at Westminster;

(b) the time and duration of such a sitting; and

(c) the business as provided in paragraph (4) to be conducted at it.

(3) The question on a motion under paragraph (2) shall be put forthwith and may be decided after the moment of interruption.

(4) The business of the committees may include—

(a) questions tabled in accordance with Standing Order (Regional Grand Committees (questions for oral answer));

(b) statements by a Minister of the Crown, in accordance with paragraph (5) below;

(c) general debates on specified matters.

(5) The chairman may permit a Minister of the Crown, whether or not a Member of the House, to make a statement and to answer questions thereon put by members of the committee; but no question shall be taken after the expiry of a period of 45 minutes from the commencement of such a statement.

(6) If the House has resolved that the business at a sitting of a committee shall be concluded at a certain hour and it has not otherwise been concluded before that time the chairman shall, at that time, adjourn the committee without question put and any business then under consideration shall lapse.

B. Regional Grand Committees (questions for oral answer)

(1) Notices of questions for oral answer in a Regional Grand Committee by the relevant regional minister, on a day specified in an order made under paragraph (2) of Standing Order (Regional grand committees), may be given by members of the committee in the Table Office.

(2) Notices of questions given under this order shall bear an indication that they are for oral answer in a specific Regional Grand Committee.

(3) No more than one notice of a question may be given under this order by any member of the committee for each day specified for the taking of questions.

(4) On any day so specified, questions shall be taken at the time provided for in an order under paragraph (2) of Standing Order (Regional Grand Committees); no question shall be taken later than three quarters of an hour after the commencement of the proceedings thereon; and replies to questions not reached shall be printed with the official report of the committee's debates for that day.

(5) Notices of questions under this order may be given ten sitting days before that on which an answer is desired save where otherwise provided by a memorandum under paragraph (8) of Standing Order No. 22 (Notices of questions, motions and amendments), provided that when it is proposed that the House shall adjourn for a period of fewer than four days, any day during that period (other than a Saturday or a Sunday) shall be counted as a sitting day for the purposes of the calculation made under this paragraph. *[Mr. Harman.]*

Amendment made: (a), in line 1, after 'made', insert 'and Standing Order No. 117 (Regional Affairs Committee) be suspended'.—*[Sir George Young.]*

Amendment proposed: (c), in line 15, leave out from 'region' to the end of line 18.—*[Simon Hughes.]*

Question put, That the amendment be made:—

The House divided: Ayes 107, Noes 219.

Division No. 322] **[5.26 pm**

AYES

Abbott, Ms Diane
Alexander, Danny
Allen, Mr. Graham
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Barrett, John
Beith, rh Sir Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Chope, Mr. Christopher
Cormack, Sir Patrick
Curry, rh Mr. David
Davies, Mr. Dai
Davies, Philip
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Drew, Mr. David
Farron, Tim
Fisher, Mark
Flynn, Paul
Foster, Mr. Don
Gale, Mr. Roger
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Goldsworthy, Julia
Gray, Mr. James
Greenway, Mr. John
Gummer, rh Mr. John
Hancock, Mr. Mike
Hands, Mr. Greg
Harris, Dr. Evan
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Ilsley, Mr. Eric
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Leech, Mr. John
Luff, Peter
Mackinlay, Andrew
Martlew, Mr. Eric
McCrea, Dr. William
McDonnell, John
Moore, Mr. Michael
Moss, Mr. Malcolm
Öpik, Lembit
Pelling, Mr. Andrew
Prentice, Mr. Gordon
Pritchard, Mark
Pugh, Dr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Sanders, Mr. Adrian
Spink, Bob
Strang, rh Dr. Gavin
Stunell, Andrew
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Truswell, Mr. Paul
Tyrie, Mr. Andrew
Walter, Mr. Robert
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Mr. Anthony
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
John Hemming and Paul Rowen

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Bell, Sir Stuart
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob

Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clelland, Mr. David
Coaker, Mr. Vernon
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, Paul
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hope, Phil
Howells, Dr. Kim
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Knight, rh Jim
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruddock, Joan
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Ms Diana R. Johnson and Helen Goodman

Question accordingly negatived.

Main Question, as amended, agreed to.

Ordered,,

That the following new Standing Orders be made and Standing Order No. 117 (Regional Affairs Committee) be suspended, with effect from 1st January 2009 until the end of the current Parliament—

A. Regional grand committees

(1) There shall be general committees, called Regional Grand Committees, for each of the following English regions:

(a) East Midlands

(b) East of England

(c) North East

(d) North West

(e) South East

(f) South West

(g) West Midlands

(h) Yorkshire and the Humber

which in each case shall consist of those Members who represent constituencies within the region and up to five other Members nominated by the Committee of Selection, which shall have power from time to time to discharge the Members so nominated by it and to appoint others in their place.

(2) A motion may be made by a Minister of the Crown providing for—

(a) a Regional Grand Committee to sit on a specified day at a specified place in the region to which it relates or at Westminster;

(b) the time and duration of such a sitting; and

(c) the business as provided in paragraph (4) to be conducted at it.

(3) The question on a motion under paragraph (2) shall be put forthwith and may be decided after the moment of interruption.

(4) The business of the committees may include—

(a) questions tabled in accordance with Standing Order (Regional Grand Committees (questions for oral answer));

(b) statements by a Minister of the Crown, in accordance with paragraph (5) below;

(c) general debates on specified matters.

(5) The chairman may permit a Minister of the Crown, whether or not a Member of the House, to make a statement and to answer questions thereon put by members of the committee; but no question shall be taken after the expiry of a period of 45 minutes from the commencement of such a statement.

(6) If the House has resolved that the business at a sitting of a committee shall be concluded at a certain hour and it has not otherwise been concluded before that time the chairman shall, at that time, adjourn the committee without question put and any business then under consideration shall lapse.

B. Regional Grand Committees (questions for oral answer)

(1) Notices of questions for oral answer in a Regional Grand Committee by the relevant regional minister, on a day specified in an order made under paragraph (2) of Standing Order (Regional grand committees), may be given by members of the committee in the Table Office.

(2) Notices of questions given under this order shall bear an indication that they are for oral answer in a specific Regional Grand Committee.

(3) No more than one notice of a question may be given under this order by any member of the committee for each day specified for the taking of questions.

(4) On any day so specified, questions shall be taken at the time provided for in an order under paragraph (2) of Standing Order (Regional Grand Committees); no question shall be taken later than three quarters of an hour after the commencement of the proceedings thereon; and replies to questions not reached shall be printed with the official report of the committee's debates for that day.

(5) Notices of questions under this order may be given ten sitting days before that on which an answer is desired save where otherwise provided by a memorandum under paragraph (8) of Standing Order No. 22 (Notices of questions, motions and amendments), provided that when it is proposed that the House shall adjourn for a period of fewer than four days, any day during that period (other than a Saturday or a Sunday) shall be counted as a sitting day for the purposes of the calculation made under this paragraph.

European Scrutiny (Standing Orders)

5.38 pm

The Deputy Leader of the House of Commons (Chris Bryant): I beg to move,

That the amendments to Standing Order No. 119 and the amendments to nomenclature in the Standing Orders agreed to by this House on 7th February 2008, shall have permanent effect from 1st January 2009.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to consider the following: amendment (a), line 4, at end add

'and that paragraph 10 of Standing Order No. 143 be replaced by the following paragraph:

'(10) Each such Committee shall determine at the beginning of each meeting whether any part of or all of its business that day shall be conducted in private';

and that the Standing Order, as amended, shall have permanent effect from 1st January 2009.'.

Motion 9—*Modernisation of the House of Commons (Changes to Standing Orders)*—

That the amendments to the Standing Orders and new Orders, agreed to by this House on 25th October 2007, relating to the recommendations of the Select Committee on Modernisation of the House of Commons in its First Report of Session 2006-07, Revitalising the Chamber: the role of the back bench Member (House of Commons Paper No. 337 of Session 2006-07) and the Government response thereto (Cm. 7231) shall have permanent effect with the following amendments—

(1) In Standing Order No. 24A (Topical debates)—

(d) in line 19, leave out 'six' and insert 'ten'; and

(e) in line 24, leave out from 'to' to the end of line 26 and insert 'a maximum of five interventions.'.

(2) In Standing Order No. 24B (Amendments to motions to consider specified matters)—

(a) in line 1, after 'Speaker', insert 'or the Chairman'; and

(b) in line 2, after 'House', insert 'or, as the case may be, the committee'.

And the following amendment thereto: (a), leave out lines 9 to 12.

Chris Bryant: I will refer first to motion 9, on issues relating to the modernisation of the House of Commons. Broadly speaking, it rolls forward measures that have already been in place for some time. First, we are making sure that the topical debates that we have held for the past year can continue for the foreseeable future. As right hon. and hon. Members will know, my right hon. and learned Friend the Leader of the House held a review of the operation of topical debates earlier this year. I think that many hon. Members have enjoyed the opportunity to have a more topical debate on a Thursday afternoon on one of the issues of the week. My right hon. and learned Friend now publishes monthly a list of all requests for topical debates, and that is a good principle.

We are introducing some changes this year. We have always held one-and-a-half hour topical debates on a Thursday, although we have said that we will look into whether it is possible to hold them on other days. Several hon. Members have become worried that Front Benchers monopolise the debates and that Back Benchers are not allowed enough time to take part. If the motion is carried, there will be less time available to the main—

[Chris Bryant]

Government and official Opposition—Front Benchers, but the amount of time available to the Liberal Democrats spokesmen will increase slightly from six to 10 minutes. The irony is that, currently, the six minutes allowed for the Liberal Democrat spokesperson is often a shorter period than that allowed in the rest of the debate for Liberal Democrat Back Benchers. We might want to hear a little less from some Liberal Democrat Front Benchers—I am not looking at anyone in particular—but, none the less, we are moving the proposal that there should be equality between the three Front Benches.

Angus Robertson (Moray) (SNP): Will the Deputy Leader of the House take this opportunity to outline his thinking about the position of spokespeople from the political parties of Northern Ireland, Scotland and Wales?

Chris Bryant: No, I do not think that I should like to take this opportunity to do that. I note that the hon. Gentleman has not tabled an amendment to the motion, and he could have done, because it has been on the Order Paper for a full week now. However, I want to ensure that all Members have an opportunity to take part equally, so if he has proposals he should feel free to come and talk to me about them.

We are taking forward another measure that has been in operation over the past year: emergency debates. We have changed Standing Order No. 24, and the new system will allow for greater flexibility so that Mr. Speaker can determine not only the date of the debate—formerly, it could be taken only on the next day, immediately—but its length. Previously, such debates could go on for only three hours, but if the motion is approved Mr. Speaker will be able to determine that it continue for longer.

Hon. Members will know that one of the other innovations over the past year has been topical questions. Members have pretty much universally welcomed the fact that, during every Question Time, matters that are entirely topical can be raised, because the questions are effectively open. That has added a much greater sense of topicality and interest. Sometimes I wonder whether the Opposition parties have decided always to use the topical session merely as a means to try to trip up the Government, but it is clear that the whole House supports such opportunities, and as their continuing does not depend on any Standing Order change, it is not mentioned in the motion.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Deputy Leader of the House refers to topical questions that are a part of the daily round of departmental questions to Ministers, but from watching the situation closely from the Back Benches, I must say that there is some evidence of Members who had questions on the Order Paper that were not reached using the topical sessions as a top-up, even though what they have asked has not been especially topical. How in my hon. Friend's view will Mr. Speaker or any other occupant of the Chair deal with that?

Chris Bryant: I am grateful to my hon. Friend, who watches such matters very closely and is regularly in the House for departmental questions.

The Leader of the House of Commons (Ms Harriet Harman): Back Bencher of the year.

Chris Bryant: Indeed, as my right hon. and learned Friend whispers, my hon. Friend is Back Bencher of the year—[HON. MEMBERS: "Hear, hear!"] I look forward to seeing him more frequently in the Division Lobby with me. However, Mr. Deputy Speaker, you would not want me to infringe on the power of the Chair to determine whether a question is topical. In the past, we could have had an entire hour-long Question Time without the day's elephant in the room being referred to at all. Now, that is no longer possible, and the topical session is a significant improvement to the way in which we do our business.

Mr. Mark Hendrick (Preston) (Lab/Co-op): Will my hon. Friend give his view on the fact that Opposition Front-Bench spokespeople use topical questions more and more, yet as I understand it the original intention was for them to be the tool of Back Benchers? What should happen in that instance?

Chris Bryant: The idea behind topical questions—and topical debates, for that matter—was to allow Back Benchers, primarily, a greater crack of the whip in the Chamber. I have been asked questions by Opposition Members who pretend to be Back Benchers, but 10 minutes later suddenly become Front Benchers on a completely different subject. However, that is part of how the House operates.

Mr. Greg Hands (Hammersmith and Fulham) (Con): If questioners are to be criticised if their questions are not topical, Ministers must be expected to have an answer ready if they are asked a topical question. Earlier this week, I asked about cuts in the BBC Russian service, of which the Deputy Leader of the House will be well aware. The Minister concerned seemed blissfully unaware of the controversy that had been raging about the issue in the press during the previous two days. Her answer was simply that she would write to me. When Back Benchers such as me ask topical questions, we surely have a right to expect Ministers to be able to provide topical answers.

Chris Bryant: I am not sure that omniscience is handed out to every Minister. One of the difficulties with topical questions is that Ministers can be asked questions about anything under the sun, within their remit. Sometimes it is difficult for Ministers to have immediately to hand or on the tip of their tongues the precise answer that the questioner is looking for. Sometimes a Minister should be able to say, "I am terribly sorry. I do not know the answer to that question, but I will get back to the hon. Gentleman." A degree of magnanimity—"as magnanimous as Agamemnon", as Shakespeare put it—might be in order.

Mr. Hendrick: Will my hon. Friend give way?

Chris Bryant: I shall, but I am keen to make a bit of progress.

Mr. Hendrick: I thank my hon. Friend for being generous with his time. In answer to my previous intervention, he referred to Opposition Front Benchers

secreting themselves on the Back Benches to make topical points. I was referring to Front-Bench spokespeople on the Front Bench using time allotted for topical questions to make known their views on the relevant matters.

Chris Bryant: My hon. Friend makes a strong point. I have noted that Mr. Speaker tends to allow the topical questions period to roll on when that has happened. I underline that it is essential that Back-Bench Members from both sides of the House get an opportunity to quiz the Government. Although, obviously, it is appropriate for Front-Bench spokespeople to make points during Question Time, sometimes the most percipient points are made by Back Benchers.

I turn to the motions relating to European scrutiny. We intend to roll forward the changes to Standing Order No. 119 which have been in operation for the past year and would lapse if we were not to renew them at the end of this calendar year. How we scrutinise European business is essential to how we scrutinise the Government.

We have made several innovations in the past year. One of them is the E section in the Order Paper, and it has been particularly useful. It alerts right hon. and hon. Members about which European Committee will be considering which documents from the European Union—from the Council, the Commission or the Parliament—and when. That gives all hon. Members the opportunity to follow the issues if they want. As a Back Bencher, I took a significant interest in all matters European, and I remember that it was often difficult to find out precisely where those issues were debated. Section E is a significant innovation.

Andrew Mackinlay (Thurrock) (Lab): I am a member of the Foreign Affairs Committee, and I have the Chairman's authority to speak on his behalf. [HON. MEMBERS: He is here!"] I am sorry. My Lord!

We all welcome the capacity to probe European issues. The real problem is not the procedure, but the timetabling. Will the Leader of the House and the Deputy Leader of the House talk to the Whips and the usual channels through the Clerks and the Chairmen so that members of the feeder Committees such as the Foreign Affairs Committee can attend those sittings without there being a clash with the core business of the feeder Committees? It is a reasonable request.

Chris Bryant: I am sure that my hon. Friend considers all his requests reasonable. I agree with him. I was about to say that one of the other innovations relating to Standing Orders is that European Committees may now have present members of the European Scrutiny Committee and the relevant departmental Committee. It is sometimes a tall order to be able to arrange hon. Members' timings. I am happy to speak to the Whips and to others about that.

Mike Gapes (Ilford, South) (Lab/Co-op) *rose—*

Chris Bryant: I see that my hon. Friend wishes to intervene. My hon. Friend the Member for Thurrock (Andrew Mackinlay) referred to him as nobility, but I do not think that he has yet become a satrap.

Mike Gapes: I hope that he never does.

My hon. Friend knows that I have written to the Leader of the House, and I have had replies from him and from his predecessor on this issue, which is still unresolved. If we are to extend this temporary arrangement, then ways must be found to ensure that members of a Select Committee who might be considering serving on such a Committee are given sufficient notice so that we do not come up with names and then find that there are clashes with other people's arrangements. Surely the authorities in the parties, in the Whips Offices and wherever can find ways of giving us proper notice so that we can find people to serve on these Committees.

Chris Bryant: My hon. Friend is absolutely right. We need to find a way of making this work better, because it is a good innovation. I am sure that there are not many Members who do not think that it is a good idea to have expert Members from departmental Committees informing the debate in a European Committee that is analysing a particular document. For instance, in March this year, when European defence was being considered by a European Committee, it was important that two members of the Defence Committee and a member of the European Scrutiny Committee—the hon. Member for Stone (Mr. Cash)—were present. That significantly improved the quality of the debate that could be had.

Another important innovation dependent on the motion is that a member of the European Scrutiny Committee should be able to make a five-minute statement at the beginning of the debate. This is about improving the quality of the work that we do in European Committees, which are often undervalued by Members, for whatever reason. It is important that we do everything we can to try to rectify the problem, which is particularly acute in relation to Committees such as that chaired by my hon. Friend the Member for Ilford, South (Mike Gapes) which already meet frequently, so there is a heavy burden on them. I undertake to work closely with him, with the Whips Offices and with the House authorities to try to ensure that we can overcome this problem and thereby improve the quality of our European scrutiny.

Let me turn to the amendment tabled by the shadow Leader of the House, which relates to whether there should be a presumption on the European Scrutiny Committee meeting in public unless it chooses to meet in private or a presumption on its meeting in private unless it chooses to meet in public. It is a shame that her amendment was tabled so late yesterday, because its wording means that it would not fulfil the function that I think she would want it to. The amendments to Standing Order No. 143 are not being taken forward, so her amendment would not apply. Equally importantly, it refers to "Each such Committee", but the Standing Order refers to only one Committee, so there is some ambiguity there.

Mr. William Cash (Stone) (Con): It so happens that paragraph (10) of Standing Order No. 143 specifies that

"The committee, and every such sub-committee, shall"—

it is mandatory—

"sit in public unless it determines otherwise in relation to a particular meeting or part thereof."

That could not be clearer. Irrespective of any point that the hon. Gentleman may wish to make about the drafting of a particular amendment—on which I will make no comment because I will be supporting it—the current

[Mr. William Cash]

presumption is that the Committee is required to sit in public unless it has determined otherwise in relation to a particular meeting.

Chris Bryant: Leaving aside the drafting, there is a more important and substantive issue: whether there should be a presumption that the Committee meets in private unless it chooses to meet in public, or the other way round.

Mr. Hands: Will the hon. Gentleman give way?

Chris Bryant: I would like to advance my argument a little, but then I will be more than happy to give way.

First and foremost, it is the accepted practice of this House, in every other Committee, that they meet in private when deliberating, and in public when considering evidence. That is an important principle, which has been reasserted by many Speakers of this House throughout the centuries, not least because if the deliberating process of a Select Committee or any other Committee were an open matter, the proper deliberation of a report would be thoroughly undermined. Many hon. Members will recall that drafts of Committee reports have sometimes leaked, leading to an investigation by the House as to why.

Mr. Cash *rose—*

Mr. Hands *rose—*

Chris Bryant: I will give way to both hon. Gentlemen in a moment, if they will allow me to continue.

It is an important part of the accepted practice of this House that every Committee should meet in private when it is deliberating and in public when it is taking evidence.

Mr. Hands: The current Committee system for European scrutiny is simply not working. At the moment, according to the Standing Orders, we meet as soon as is convenient after 11 o'clock. We meet in private at 11, and as soon as is convenient after 11. People who show up to our Committee have simply no idea of when it will start. A constituent of mine, with a personal and professional interest in environmental policy, has been visiting for some weeks, and has written to me saying:

"For several months now I have been trying to attend sittings of the European Scrutiny Committee which I understand to meet in public and to regularly review EU legislation in this field. On several occasions I waited for nearly one hour outside what is apparently the committee's meeting room only to be told that no one could say when the public session would start...I regret to tell you that your body, which is apparently entrusted with scrutinising EU laws, appears to be a bad joke and a farce. The EU is accused of being secretive. What is our Parliament but exactly the same?"

If the hon. Gentleman were in the position of a member of the public trying to attend our Committee, he would find it practically impossible to do so because he would be left sitting outside for an interminable length of time.

Chris Bryant: It is certainly true that when I visited the European Scrutiny Committee it felt as if time had stood still. However, the hon. Gentleman—and if I may say so, his constituent—makes an important mistake. The European Scrutiny Committee—*[Interruption.]* If the hon. Gentleman will keep calm and listen. The Committee is not there to decide on the policy of this House with regard to any piece of European legislation. It is there to do a specific job, which is to decide where a document or policy recommendation should be properly considered. Every place where such matters are properly considered is fully open and has no private sittings. I say to the hon. Gentleman, and anyone else who is urging change on this matter, that there is a fundamental misconception about the nature of the European Scrutiny Committee.

Mr. Cash: In the debate on 7 February, the hon. Gentleman's predecessor, the hon. Member for Bishop Auckland (Helen Goodman), said that she agreed

"with the right hon. Member for Maidenhead that, in general, there is a good case for the important work of sifting to be done in public."

She went on to say, in a presumably well-informed comment:

"the Government will come back to the House with a revised form of words providing for the ESC to have the power to decide whether to meet in public for the purposes of sifting documents."—[*Official Report*, 7 February 2008; Vol. 471, c. 1182.]

When the amendment was tabled, it was exactly as I said. In other words, the presumption was that the Committee should be in public, except in a particular case.

Chris Bryant: But since then, the European Scrutiny Committee, as the hon. Gentleman knows full well, has met and considered whether it should meet in public or private and it has decided to go in the other direction. That was not just a matter of Eurosceptics voting for everything to be in public and Europhiles—or sensible, pragmatic Europeans—voting for the Committee to meet in private for its deliberations.

Kelvin Hopkins (Luton, North) (Lab) *rose—*

Chris Bryant: I was just coming to my hon. Friend. My very honourable, very friendly friend from Luton, North, with whom I disagree on many matters relating to Europe, none the less voted with the Chair of the Committee, my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty).

Kelvin Hopkins: I agree strongly with my hon. Friend's comments throughout the debate. Does he accept from someone who has served on the Committee for more than a year and who has seen it in both modes—the mode before the public mode worked well—that what happens now is farcical and simply does not work?

Chris Bryant: I am grateful to my hon. Friend. I think that I have said previously that some hon. Members have a single transferable speech on European matters—I know I do—and my hon. Friend has heard it many times, as has the hon. Member for Rayleigh (Mr. Francois), who is chuntering on the Conservative Front Bench. There is a confusion of principle, which hon. Members who want to insist that the Committee always meet in public, are asserting.

In the Lords, one person, namely Lord Grenfell, does the sifting in private, and there is little criticism of the way in which the House of Lords conducts that business. I do not advocate moving to a position whereby only my hon. Friend the Member for Linlithgow and East

Falkirk, the Chair of the European Scrutiny Committee, does the sifting, because the process of advising the Committee is important.

That leads me to another point about the confusion in some hon. Members' minds. Those who advise the Committee are advisers to the Committee, not the Government. That is an important principle. Many Select Committees have advisers and it is not right for them to have to provide their advice in public. They should give their advice in private as part of the deliberative process so that Members can go on in public sittings to make whatever speeches they want.

We are not considering whether we believe that matters should be kept private or public. I have argued from the Back Benches that it is important to conduct European scrutiny far better than we have done in the past. I believe that the measures that we introduced in the past year, which we want to roll forward, have made a significant contribution. I point out to Conservative Members that not only Labour Members in the European Scrutiny Committee voted in favour of the option for the Committee to vote to sit in private. The hon. Member for Totnes (Mr. Steen), who could hardly be described as a rabid, pro-Labour pro-European, also voted for that.

6.2 pm

Mrs. Theresa May (Maidenhead) (Con): I beg to move amendment (a) to motion 8, in line 3, at end add

'and that paragraph 10 of Standing Order No.143 be replaced by the following paragraph:

'(10) Each such Committee shall determine at the beginning of each meeting whether any part of or all of its business that day shall be conducted in private';

and that the Standing Order, as amended, shall have permanent effect from 1st January 2009.'.

I should also like to move amendment (a) to motion 9.

Mr. Deputy Speaker: Order. Amendment (a) to motion 9 will be dealt with formally at the end of proceedings. However, that does not prevent the right hon. Lady from speaking about it.

Mrs. May: Thank you, Mr. Deputy Speaker. I intended only to speak about amendment (a) to motion 9.

The Deputy Leader of the House claims that amendment (a) to motion 8 is not fundamentally about whether the European Scrutiny Committee should meet in public or private, but it is precisely about that. It is about whether the House's deliberations on European legislation should be open and transparent, with members of the public able to come in to hear and see the decisions that hon. Members make about the importance or otherwise of European legislation.

It is a great pity that casual readers of the Government's motion would think that it was merely about confirming some small changes to the way in which the House scrutinises European legislation. I am happy to support the changes. Indeed, I believe that the House should go considerably further—I have published a document and proposals on the matter, but they are for another day. However, the casual reader would miss the fact that the Government are trying to take the Committee back to the position that pertained before our debate on 7 February. They are trying to reconsider whether the deliberations of the European Scrutiny Committee, when it is determining the importance of legislation from the European Commission for the House and the country, should be available and open to members of the public or be carried out behind closed doors.

Mr. Jim Hood (Lanark and Hamilton, East) (Lab): The right hon. Lady knows that no other Committee deliberates in public. What is so special about the European Scrutiny Committee that it should do so in public, and what effect would that have on the advisers to the Committee? Is it not the case that the real scrutiny is done when legislation undergoes further scrutiny in the European Committee or Select Committee?

Mrs. May: The hon. Gentleman asks about the difference between the European Scrutiny Committee and the other Committees mentioned by the Deputy Leader of the House when he was talking about the normal procedures of the House. I was about to make the point that I disagree with the Government's position precisely because the European Scrutiny Committee is very different from other Select Committees. The other Select Committees take evidence in public on issues, and then they decide what they are going to say about those issues. The European Scrutiny Committee is completely different. It decides the importance of the legislation from Europe that constitutes 50 to 70 per cent. of the legislation passed in this country. That is very different from the normal job of a Select Committee.

Labour Members get very excited about this issue, but it has long been my view that one of the problems in the debate about European legislation is that many people feel that it is something that is done to us, without this Parliament giving it any proper scrutiny. The figures show that of the 1,000 or so documents that the European Scrutiny Committee sees each year, only some 500 are considered to be significant and only some 50 receive proper scrutiny and debate. It is my firm belief that if we opened up the process to show what the House is doing on European legislation, it would be valuable in showing the public the role that the House plays. We should go further in scrutinising European legislation, but the debate today is about the European Scrutiny Committee.

Keith Hill (Streatham) (Lab): Is the right hon. Lady aware of the note from the Library that reveals that a maximum of 10 per cent. of the statutory instruments considered by the House originate in Europe? Can she offer the House the evidence she has for her assertion that 60 to 70 per cent. of our legislation originates in Europe?

Mrs. May: I am tempted to say to the right hon. Gentleman that I am happy to offer supporting evidence, but I am sure that some of my hon. Friends will also be happy to provide it.

Mr. David Heathcoat-Amory (Wells) (Con): The 50 per cent. estimate is an underestimate. It is more like 80 per cent.—at least, that was the conclusion of the Bundestag committee that examined this issue. It is not only statutory instruments that implement EU legislation: all EU regulations are implemented directly, without any implementing legislation, although that is done under the authority of this House. If we take into account the totality of statute and regulation, the figure is nearly 80 per cent., and my right hon. Friend was being characteristically modest and cautious in her estimate.

Mrs. May: I bow to my right hon. Friend's superior knowledge of this issue as he has spent rather more time on it.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Does the right hon. Lady believe that the advice given by the civil servants to the Committee should be subject to public debate? If so, does she think that that will affect the nature of that advice?

Mrs. May: I have thought long and hard about this particular issue. As hon. Members will see, and as I did in the amendment that was accepted by the Government and the House as a whole in February, I would provide the opportunity for the Committee to meet in private when that is considered necessary. I accept that there will be some issues, perhaps relating to national security, when that will be important. Therefore, the Committee needs to have that option available to it.

I take a different view from the hon. Member for West Bromwich, West (Mr. Bailey) on what would happen in relation to the advice. It is important that people have an opportunity not only to see proceedings in person by coming to the Committee, as the constituent of my hon. Friend the Member for Hammersmith and Fulham (Mr. Hands) has been trying to do, but to read the official record the deliberations of the Committee, and therefore be able to see why it has taken decisions about the importance of certain documents.

Labour Members have said, "Ah, but the proper debate takes place when the documents get to other Committees," but this is a sifting process. It is therefore important for people to see decisions taken by this Parliament as to which documents require further discussion by the Parliament and which do not, and which are dismissed as things that can simply be cleared through the House without the House taking any further interest in them, as well as why those decisions have been taken.

Mr. James Clappison (Hertsmere) (Con): Does my right hon. Friend believe that it is a massive own goal by those who would argue in favour of Europe that they are cloaking their proceedings in secrecy? That is completely at odds with what the Government said in our Lisbon debates, when they talked about a new relationship between national Parliaments and the EU. The first thing they do is insist on secrecy in discussing these documents.

Mrs. May: My hon. Friend makes an extremely good point. As I said, it has long been my view that the process of helping members of the public to understand a little more about what happens in Europe and the decisions that come out of it is part of showing what the House does and what takes place in it. Secrecy in the House only makes people think even more that we have no say in what is happening in the EU.

I say to all those on the Labour Benches and all those around the House who believe strongly in full participation in the EU that opening up this Committee is part—one small part—of showing people that this Parliament does have a say and takes its job seriously.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I have a very small point to raise with the shadow Leader of the House. To use the word "secret" is improper: on a weekly basis, the Committee publishes every single report on any document that is considered, and those reports are available to the public, so it cannot be secret. Things may happen in private, but she should not call it secret, or she is saying that every deliberation of every Committee is secret. If a Committee publishes its results, they cannot be secret.

Mrs. May: I have to say to the hon. Gentleman that what is—

Angus Robertson: The discussion is secret.

Mrs. May: What is not revealed to the public—I thank the hon. Gentleman—is the discussion that takes place within the Committee as to the purposes of the Committee.

I recognise that some important reports have been published by the Committee. For example, the report on the statutory reserve in relation to the Lisbon treaty was significant, but I still believe that the process and discussion on the sifting of those documents should take place in public. The presumption should be that the Committee meet in public. That is why my amendment is worded as it is. The presumption is that it would meet in public and start its meetings in public. If it chose to go into private session, people could see that as well.

Mr. Hendrick: Contrary to what the right hon. Lady said earlier in highlighting the difference between this Select Committee and others, this Committee takes evidence from Ministers and regularly debates things in full view of the public. In talking about Europe being "done" to this country, she seems to forget that there is a European Parliament to which people from the UK are directly elected to deliberate on our behalf, see everything that is produced by the Commission and vote on legislation, in some cases before it even gets to the House. I cannot understand the right hon. Lady's logic. Would not some of her Back-Bench colleagues wish to grandstand on many of these issues because they are not winning the arguments in the House?

Mrs. May: If the hon. Gentleman disputes my comments about the general public's views about what happens in this House to legislation from Brussels, he should ask people on the street what they think. The majority of people in this country believe that European legislation just comes out of Brussels and that Parliament does not play a proper—*[Interruption.]* The hon. Gentleman says that those beliefs are not true, but in that case he should support my amendment, so that people can see that it is not true. That is the whole point of what I have proposed.

Mr. Hendrick: Will the right hon. Lady give way?

Mrs. May: I will not give way to the hon. Gentleman again.

Chris Bryant: Will the shadow Leader of the House tell us whether she visited the European Scrutiny Committee last year in its previous incarnation, whether she has visited it this year and if so, whether she noticed any difference, as my hon. Friend the Member for Luton, North (Kelvin Hopkins) described?

Mrs. May: The Deputy Leader of the House asks that question because he knows the answer. I have not

visited the European Scrutiny Committee; I have, however, spoken in some depth to those who serve on it. They do not just visit the Committee, but take part in all its meetings—we will come shortly to the impact that the debate that we had on 7 February and the motion that we passed then has had on the Committee's meetings.

Mr. Desmond Swayne (New Forest, West) (Con): Is the difficulty not so much that the Committee wants to hide its deliberations on so many European documents behind a cloak of secrecy, but that it wants to give the impression that there are no such deliberations? Huge reams of material go through entirely unscrutinised and on the nod, and if people saw that in public, they would never stand for it.

Mrs. May: I am grateful to my hon. Friend for that extremely important point. The precise point is that people should be able to see what is happening. As it happens, my proposals to change European scrutiny would give the House much greater abilities to scrutinise European legislation in a variety of ways. *[Interruption.]* I hope that my hon. Friend is comfortable now that he is back on the Front Bench.

I am conscious that other hon. Members wish to contribute and I want to make progress. When the House accepted the 7 February change to procedures, there was a presumption that the Committee would meet in public and go into private session only in special and exceptional circumstances. Sadly, what has happened, as evidenced by the constituent of my hon. Friend the Member for Hammersmith and Fulham who has been trying to attend meetings of the Committee, is that meetings have started in private. Members of the public who attend do not know when meetings will be opened up for a public session and they often give up and go away.

Mr. Hands: My right hon. Friend is being generous in giving way again. The situation is even worse than that. Although the Committee starts in private and at a point not determined in advance goes into public session, it also has the right to return to sitting in private at any time thereafter. The meeting could therefore have three stages, which is extremely repellent for any member of the public who wants to attend.

Mrs. May: I accept my hon. Friend's point, which is about the frustration both of the desire of those of us who tabled the amendment on 7 February and, I believe, of the will of the House at that time, which was in favour of a presumption that meetings would be held in public. It is important that meetings should start in public.

Mr. David S. Borrow (South Ribble) (Lab): Will the right hon. Lady give way?

Mrs. May: No, I am sorry; I will now make progress.

If the Committee decides that it wants to go into private session, people can see that it has taken the deliberate decision to carry on without their being able to see what is being done.

I want briefly to mention motion 9 and amendment (a) to it. The Deputy Leader of the House started by describing how the motion favoured Back Benchers, in that it would reduce the amount of time that Front Benchers have to speak. It is certainly true that the proposal would reduce the amount of time given to Front Benchers in relation to interventions. I also accept the need to ensure that Back Benchers have a suitable amount of time to speak in topical debates.

I do not accept, however, that the Liberal Democrats should be given the same amount of time to speak as the official Opposition. I hope that the House will support my amendment, which would ensure that the conventions—*[Interruption.]* The Deputy Leader of the House laughs, but he was talking about the usual practice of the House earlier, and the usual practice is that the Government and the official Opposition are given the prime time and that the Liberal Democrats are not treated in the same way.

Many other hon. Members wish to speak in the debate. I urge the House to support the amendments that I tabled. It is important to the whole debate about Europe that we open up the procedures of the House on the scrutiny of European legislation and enable members of the public to see those and to read about the deliberations that have taken place in the Committee in the official record. That way, people will be able justifiably to challenge us on what the House does when it comes to European legislation.

6.20 pm

Michael Connarty (Linlithgow and East Falkirk) (Lab): May I first deal with the calumny of the hon. Member for New Forest, West (Mr. Swayne)? He has probably never asked his hon. Friends who sit on the European Scrutiny Committee to see the paperwork it deals with. Those who take it seriously read every paper. That is the secret of European legislation: reading all the papers. I can assure him, as the Chairman of the Committee, that I read every document that comes, including the explanatory memorandum from the Department concerned and, often, the material that comes from the European Union, as do many other members of the Committee. That could be one of the problems: it is a heavy load to lift, and when people become involved in it, they can become somewhat obsessed.

I want to put it on record that it is not correct that in the February debate the House agreed that the Committee should meet in public in such a way that would not protect the members of staff of the House—they are not civil servants—who give us advice. Therefore, we had to construct a method—I believe that I said on the record that we could construct a system whereby we could get information from our advisers without their becoming, as my hon. Friend the Member for Luton, North (Kelvin Hopkins) said, the cat's paw of the European scrutiny process—that ensured that it is the Committee, not the staff, that is reported. We have a private sitting in which we question the staff who put together their advice on the letters—the correspondence section—and the explanatory memorandums that we receive. The latter involves questions on A briefs, which, as has been said, are politically and economically important, and B briefs, which are considered not to be politically important, even if people sometimes decide that they should come back as A briefs so that they can be formally reported to the House. That was the construction.

If Members were serious about the public attending—I am talking specifically about the Members who keep

[Michael Connarty]

telling us that their constituents are banging down the door to get in—they would not talk at such great length and keep the public out. If we look at reports of Committee meetings, we see that the public sittings run for 10 or 15 minutes and, even if they are longer, they are certainly less than half an hour. However, reports of private sittings, in which Opposition Members who are obsessed about Europe talk at great length—on many occasions they talk off the subject, just to show that they know about everything to do with Europe—show that sittings can last for more than two hours. The hon. Member for Hammersmith and Fulham (Mr. Hands) said that his constituents sit outside gasping to come in, but they are kept out by the very Members who are supposed to want them in. That is truth of what happens: it has turned into a farce.

If the shadow Leader of the House and her deputy—the right hon. Member for Maidenhead (Mrs. May) and the hon. Member for North-West Cambridgeshire (Mr. Vara)—had accepted the invitation that I put to them in writing to come to the meetings, as the former Deputy Leader of the House, my hon. Friend the Member for Bishop Auckland (Helen Goodman) and the present Deputy Leader of the House did, they would see that public meetings are greatly delayed by the activities of Opposition Members who cannot seem to stop themselves grandstanding on every issue .

Mrs. May: If the hon. Gentleman is so enthusiastic about members of the public being able to see what is happening in his Committee, as Chairman of the Committee he can to move into the public session earlier. The deliberations of my hon. Friend the Member for Stone (Mr. Cash)—if that is who he is implying—or other members of the Committee would then be in public.

Michael Connarty: If the right hon. Lady looks back at the debate, she will find that the House decided that we should protect officials of the House when they give us advice. That is not possible unless we go through the process. We must treat their advice seriously, but in private sittings I have seen members of my Committee arguing, sometimes three or four times, to try to get an official to change the recommendation that they stand by. That is not what the Committee is about, but that is what is happening.

Mr. Hands *rose—*

Mr. Cash *rose—*

Michael Connarty: I am going to continue.

Let me explain what the Committee does. We decide whether—*[Interruption.]* I am not giving way yet. We decide whether something is economically or politically important and whether it should be sent somewhere else for further scrutiny. We do that after correspondence, which is dealt with as a private matter—the correct way to deal with ongoing correspondence with a Minister—and we do it by calling for evidence from a Minister, who defends the Government's position in front of us. That happens if we think the Government are taking a wrong decision and breaking a scrutiny reserve. Alternatively, we send it for a debate—a public debate that any Member, not just those in the European Scrutiny Committee or other relevant Committees, can attend. We sometimes send a matter to the Floor of the House for debate and we sometimes produce specific reports. The shadow Leader of the House mentioned our recent report on the Lisbon treaty and another recent one on subsidiarity; those are public documents.

I believe that those processes can be undertaken without any need for the public to attend. I am quite sorry that we have reached this position, because we have failed to deliver a system that protects our officers and at the same time allows the Committee to function properly. We had an informal meeting on that, but certain Members who talk at great length did not bother to turn up to discuss with our officials—in confidence and in private—how to modify the system. They did not turn up, so we brought it back to a public sitting of the Committee and put a resolution to the Leader of House that, in line with the normal practice of Select Committees, we should deliberate in private. That is the fact of the matter.

Angus Robertson: I agree with the hon. Gentleman, who is an excellent Chairman of the European Scrutiny Committee, that the status quo is not sustainable. However, does he agree with me that going back to meeting largely in private, other than when evidence is being taken, will not be understood by the public? Although it may cause problems for the advisers, who may feel that they cannot be as open as they could if we met in public all the time, does not the hon. Gentleman accept that, on balance—it is a fine judgment call—it is much better to meet in public than in private?

Michael Connarty: I would have thought that over the past 10 years we could have introduced a system to achieve that. The shadow Leader of the House failed to say that Labour Members accepted an agreement to try to work out a system and not to force the Standing Order amendment that was on the Order Paper in February. That system might have worked and might have been a move in the right direction, but we did not get the chance to try it because the Standing Order was forced on to the Order Paper the night before—as in the present case—and very late in the day when many Members had already been allowed to go home to their families. They were not in the House; that is the truth of it.

This time, we have to face reality. I would love to work our way out of this. I do not know whether the Conservative party wants to allow its Members to get it out of their system every week by regaling our Committee. People who read the papers are told what is in the papers by Opposition Members and then the arguments go on interminably—a good word that the shadow Leader of the House used—in Committee. We thus do not get to the point, which is to discuss not the merits but the importance of a document in order to get it sent to the appropriate place for further discussion. The failure has resulted from the way in which the Committee has been treated by Conservative Members. I am sorry about that, but the only way forward I can see is to deliberate in private, and then perhaps to have a sensible discussion about how we can move towards a better system so that the public get the chance to see all we do.

I wonder how many Opposition Members, apart from Committee members, have read the weekly chapters in these documents. How many of them have read the reports produced by *Hansard*? Very few have done so.

Mr. Cash: Will the hon. Gentleman take up an invitation that I extend to him? In return for having all these proceedings in public, could the public have the right to decide whether the so-called interminable arguments, to which he refers, are justified or not? A number of recent documents got through only through his casting vote.

Michael Connarty: I think that my casting vote was always given on the recommendation of the Committee's officials, because I respect their ability and judgment and the way in which they have supported my Committee.

Let me say, in finality—

Mr. Borrow (South Ribble) (Lab) *rose—*

Michael Connarty: Of course I will give way.

Mr. Borrow: I am grateful to my hon. Friend. Does he agree that at the heart of the debate is the question of whether the desirability of the Committee's holding all its sittings in public—which, if it included the advice given by Committee officials, could restrict the clarity of that advice and pose the risk that the Committee would make poorer decisions—should outweigh the fact that if the officials give their advice in private, they can be open and blunt and better decisions may result? Is that not the balance that the House must strike? The hon. Member for Moray (Angus Robertson) has clearly concluded that he would prefer these issues to be dealt with in public, with the risk that the Committee will make poorer decisions. I take a different view, and I wonder whether my hon. Friend would like to comment.

Michael Connarty: As I said at the outset, and as I have said all along, for as long as I have been a member of the Committee I have inclined to the idea that we should open up and add the public to what we already have, which is a fairly disciplined process in the private sessions. Adding the public sessions has turned our business into something completely different. I regret that, because I must now step back and say that if I want the Committee to work efficiently, and if I want Members to take the business seriously without being regularly harangued, we must return to private sessions.

Mr. Anthony Steen (Totnes) (Con) *rose—*

Michael Connarty: I did say "in finality".

My final point is not about what happens in the Committee. I still regret the fact that, under the Standing Orders, we no longer have three European Standing Committees with fixed membership. That would have allowed us to have 15 or 16 Members on those three Committees who would learn about European business, and would regularly bring that experience to our Committee. That is how I came on to the Committee, but now there is an ad hoc system of appointing members, and all that we have to supplement that membership are the two European Scrutiny Committee members. They give our Committee direction, and I support the idea that members should come from the "subject" Committees, but the fact remains that they already possess knowledge of Europe and European business. We are not training a new set of people in European business, as we used to when there was set membership of the three Standing Committees.

Nevertheless, although I deeply regret that, I support the Government within the confines of the motion.

Mr. Steen: I feel that I must make a confession. As the hon. Member for Lanark and Hamilton, East (Mr. Hood) will recall, I set the hare running when I observed that there were enough Tory Members to defeat the Labour Members. As a result, we tabled a motion proposing that we meet in public.

I have been a Committee member since those early days, and I wonder whether the hon. Gentleman agrees with the following propositions. First, the present system does not work. Secondly, we need to be more open. Thirdly, we have not found a way of ensuring that that happens, and we must do so. Perhaps we should attempt to adjourn this debate, and have a discussion outside about how we can do it.

Michael Connarty: I recognise the hon. Gentleman's substantial diplomatic skills. I think that if we had approached the situation in that manner when the Leader of the House made the offer in February, we might have made some progress rather than finding ourselves in the present impasse. I deeply regret that too, and I hope that Members will support the Government in the Lobby.

6.34 pm

Richard Younger-Ross (Teignbridge) (LD): I wish to deal with an issue which, although it is occupying a smaller part of the debate, is as important as the rest—topical debates. We welcome the Government amendments. We particularly welcome the provision of 10 minutes rather than six, principally because that is the procedure followed in other parts of the House such as Westminster Hall, and we see no reason for it to be rejected. As for the Conservative amendment, I think it particularly mean that more Conservative Front Benchers than Liberal Democrat Front Benchers will always be called to speak because of the balance of membership in the House, and the ratio of those who are likely to catch the Speaker's eye will be three or four to one. That is in the nature of things.

We need a more open way of deciding the subject of the topical debate. In April, the Procedure Committee recommended the following:

> "A topical debate business committee should be established which would be responsible for the scheduling of and choice of subject for topical debates. Its membership should include backbenchers and business managers. Its chairman should be a backbencher."

Will the Deputy Leader of the House consider that? Alternatively, will he explain why that recommendation cannot be implemented? He may conclude that he does not want to go down that path, but does he recognise that if we do not use a cross-party business committee to choose the subject, more needs to be done to improve the transparency of this selection process? Members need to know the rationale behind the choices made, because the subjects sometimes do not appear to be inherently topical. Tomorrow, we shall debate obesity, but I am unsure as to why, all of a sudden, that should be the subject of a topical debate, despite its importance.

[Richard Younger-Ross]

Let me turn to the substantive issue of the quality of debate in the European Scrutiny Committee. I have sat on the Committee for just over three years, and I served on European Standing Committees for four years before that. I take the point made by the Chair of the European Scrutiny Committee, the hon. Member for Linlithgow and East Falkirk (Michael Connarty), that those Committees were a good training ground. I wish that we could return to a situation where people served some time on them, and perhaps we could consider that. As he will recall, the problem was that Members who were put on to the European Standing Committees felt as though they were being sent to Siberia—they felt as though they were being punished by the Whips by being made to serve on those Committees for a long time. Whether or not that was a misperception on the part of some Members, the system had its merits, and we need to examine how that structure worked.

As the shadow Leader of the House has mentioned, there needs to be a still wider debate on how we undertake scrutiny in this House. Denmark joined what is now the EU at the same time as the UK, but it has a far more robust system of scrutiny, as do all the new countries that have joined. [HON. MEMBERS: "No they don't!"] A number of them do. Finland has a robust system, of which the Modernisation Committee was enamoured when it visited that country—it was the basis for one of the proposals as to how we reform scrutiny, but that was rejected. Both the previous and existing Chairs of the European Scrutiny Committee are in the Chamber, and they, like other Members who have served on it, know that proposals have been made on this matter. The shadow Leader of the House made a series of proposals that would have brought Members of the European Parliament to sit alongside us. That seemed to go down fairly well in certain circles until it reached the Whips, who seemingly decided that they could not control what was emerging and so it was flattened.

Mr. Steen: In the hon. Gentleman's mind, does "robust" equal open or open to the public? Why does he think that serving on those Committees was like being in Siberia? Some people enjoyed being on them.

Richard Younger-Ross: Some people love going to Siberia. The process must be robust and open. Robust does not, of itself, mean open.

Mr. Hendrick: The hon. Gentleman, I think, served on the Committee when I did. We visited the Folketing in Copenhagen to look at its methods of scrutiny. I agree totally that that Parliament is far more robust and rigorous in how it scrutinises European legislation, but I would say that this Parliament is second after the Folketing out of the 27 member states of the EU.

Richard Younger-Ross: I think that the hon. Gentleman and I disagree on that, although we have improved in the UK. When the hon. Member for Lanark and Hamilton, East (Mr. Hood) chaired the Committee, the business was always dealt with very promptly. We went through all the A briefs and B briefs very efficiently. The change in chairmanship, to the hon. Member for Linlithgow and East Falkirk (Michael Connarty), enabled us to become far more robust in challenging the system than we were before. That has been welcome. The changes that the Government have tried to make to scrutiny have also been an attempt to open up the process, which is also welcome.

Mr. Hood: I do not know whether I am feeling nostalgic or whether the hon. Gentleman is, but I want to correct him on one point and to disagree with my hon. Friend the Member for Preston (Mr. Hendrick). The Folketing committee is not the best scrutinising committee in the EU. It was always my argument that this Parliament had the best scrutinising Committee in the EU. The Folketing committee mandates the Minister and the Prime Minister, and—guess what—the Prime Minister sets up who is on that committee. It does what it is directed to do by the Prime Minister; it does not scrutinise.

Richard Younger-Ross *rose—*

Angus Robertson: That does not happen here.

Richard Younger-Ross: The hon. Gentleman says from a sedentary position that that never happens here—

Angus Robertson: That was sarcastic, for the record.

Richard Younger-Ross: He says that it was sarcastic, just to make it very clear.

The Committee has tried and is trying a lot harder. The current chairmanship is very demanding. When Ministers try to use the override to push through legislation without coming to the Committee, the Committee has called them to account and does so, in my view, more than it used to, which is welcome.

The main questions are whether the proceedings should be conducted in public or private and whether the deliberations should be secret, even though the decisions are not. There are unquestionably problems with the system. Should we get rid of that system and sit in private? As the hon. Member for Moray (Angus Robertson) said earlier, the public will not understand that and it is not acceptable.

Alternatively, should we try to resolve the problem with the terms on which private sessions were conducted? The Chairman of the Committee has figures that show that for every 15 minutes of public session, we could have an hour or an hour and a half of private argument and debate. I have no difficulty in saying that some members of the Committee tried to hold a debate in that session when they should have been asking the advisers questions. The result was that we had rather over-long discussions in what was meant to be a question session rather than having those discussions before the question session. If those people strongly believe that the debate should be held in public, they ought to restrain themselves and hold that debate in public. If they repeat in the private session what they want to say again later, it means that we get the full force of the argument twice, which is not necessary for the Committee to reach conclusions. That difficulty must be overcome. I know from the meetings in the past couple of weeks that the process has shortened. The Committee should support the amendment tabled by the right hon. Member for Maidenhead (Mrs. May) and review the change at a later date to see whether it can be made to work.

Michael Connarty: Has the hon. Gentleman read the detail of the amendment? It says that when every Committee meets, the first thing that it has to do is decide at that time whether to meet in private or in public on certain issues. That, I think, would lead to a point scoring process. Certain members would turn up hoping to bounce the Chairman to make the decision to meet in public at exactly 2.30. We would then have the problem of how to get advice from our advisers, and we could end up with full public sessions. The amendment is badly scripted.

Richard Younger-Ross: That is not my understanding of how the amendment would work. Even if it did work as the hon. Gentleman has described, I am fairly certain that the Government Whips would make sure that Labour Members were there in time to save themselves from being ambushed. I do not believe that members of the Committee would do as the hon. Gentleman suggests.

We need to discuss how the evidence from the advisers is taken. I do not propose that we should hold that debate now, or that the advice should be given to us in public. However, it is something that we need to explore and consider, which is why I moved an amendment to that effect when we were debating this matter in Committee a couple of weeks ago.

Mr. Steen: How would that be done?

Richard Younger-Ross: The hon. Member for Totnes (Mr. Steen) supports our going into private session but asks how we would do what I suggest. I can tell him that I do not know, but that it is something that we need to discuss. I do not have an instant answer to his question.

Mr. Steen: The hon. Gentleman says that I am in favour of going back into private session, but that is not entirely true. I am in favour of making the whole Committee public, but that will not work with our present system of advisers and briefs, which is why I oppose the present arrangements. We need to work out a way to enable the Committee to sit entirely in public, which is very different from what the hon. Gentleman proposes. He is still sitting on the fence: people would love to know what the Liberal Democrats believe, but they have been waiting for that for some years.

Richard Younger-Ross: I think that it is the hon. Gentleman who is sitting very firmly on the fence on this matter. He voted for the Committee to meet in private, but says that he wants it to meet in public. Our decisions are taken according to how we vote, and the hon. Gentleman voted for our meetings to be in private. He continues to do so, so I think that it is clear where he stands on the matter.

Finally, we believe that the Committee can be made to work in public, and that it should do so. I believe that it is a disgrace that we are looking to meet in private, which is something that the public will not understand. Every year, 1,000 documents of European legislation go through the Committee. The process of how we decide whether a document is important enough to be referred to this House should not be kept secret. It has to be transparent, and that is what we are proposing.

6.47 pm

Keith Hill (Streatham) (Lab): I rise to support the motion on European scrutiny in the name of my right hon. and learned Friend the Leader of the House. However, as a member of the European Scrutiny Committee, I wish to explain why I oppose the amendment in the name of the shadow Leader of the House and others, the purpose of which appears to be to create a presumption in favour of the Committee meeting in public, for all or part of its proceedings.

Of course, I accept that as far as possible Parliament should operate with a high degree of transparency, but there is a balance to be struck between transparency and efficiency. Since February this year, the European Scrutiny Committee has experimented with meeting partly in private and partly in public. I am afraid that that experiment has failed, and I shall explain why.

My hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty), our very good Chairman, has set out already the principles that guide our arrangement of the Committee. In order to protect the confidentiality of the recommendations from our advisers, we agreed that the first part of our meetings should take the form of an information-seeking session in private, while the second—and public—part should deal with making decisions about the contents of our reports to the House.

However, that arrangement has not worked as we might have desired. It has considerably and quite unnecessarily protracted our proceedings. More often than not, the length of our meetings has doubled. On two recent occasions, the arrangement that I have described has quintupled the amount of time taken before we began the experiment. Moreover, it has led to unacceptable levels of repetition in our proceedings. The public part of the meeting has become a simple repetition of the exchanges in the private part. That is a simple waste of time, and it is certainly very tedious.

Mr. Hands *rose—*

Keith Hill: I shall give way to the hon. Gentleman, but other colleagues also wish to contribute to the debate, so I shall not give way often following his intervention.

Mr. Hands: I thank the right hon. Gentleman for giving way. Does he not see that the easy solution to this duplication problem is to return to the resolution of the whole House on 7 February, which was that the majority of these meetings should be held entirely in public? He would then abolish the duplication of the two separate sessions. It would be so much easier just to meet in public, rather than meeting in two parts.

Keith Hill: The hon. Gentleman has often expressed those views both in Committee and the Chamber. For the reasons that I intend to set out, it is simply unacceptable that we should conduct our entire proceedings in public.

It is tedious for Members to experience the repetition in the public session of arguments that we have already heard in private session, but I would accept that MPs being bored might not be a great sacrifice if there were a great public demand to observe our proceedings. However, there is no such demand. Public attendance has ranged

[Keith Hill]

from non-existent to minimal. It may be argued—the hon. Member for Hammersmith and Fulham (Mr. Hands) has done so—that such poor attendances result from the unpredictable timing of the public session, but I have to report that, with the exception of the constituent whom he mentioned, no Committee member has received any expression of discontent from members of the public who are frustrated in their desire to view our proceedings.

Several hon. Members *rose—*

Keith Hill: I said that I wanted to allow other Members to come in, and I especially wish Opposition Members to do so. I shall give way now to my hon. Friend the Member for West Bromwich, West (Mr. Bailey).

Mr. Bailey: Given the passion with which Opposition Members have argued for conducting business in public session, does my right hon. Friend share my bafflement that a study of the timing of their contributions in the meetings reveals that a greater part of them have been in private session, and that they have not utilised the public session?

Keith Hill: My hon. Friend is absolutely correct, and I must say that we have had a very candid and frank set of exchanges on this matter. The great bulk of the expansion in the time of the Committee's proceedings has occurred in the private, rather than the public, session.

The truth is that we have instituted a grossly inefficient procedure, and for no good reason, as there is no public demand to observe our proceedings. Also, since there is no evidence to suggest that the public are interested in our proceedings—as opposed to our conclusions, which are published—there can be no justification for making public the entirety of our proceedings, because that would entail placing on the public record the private views and recommendations of our lay advisers, and some of us believe that that would be bound in time to affect the quality of the advice that they offer us. I also remind the House that it would be unprecedented for utterances of non-elected persons—whom we must remember are advisers, not witnesses—to form a large part, if not the bulk, of the written record of a Committee. I think the House will want to ponder long and hard before going down that path.

Mr. Steen: Before the right hon. Gentleman moves on from his last point, may I say a few words? As a new boy to the Committee, he has been very much welcomed because he has brought a freshness and a different approach to its work as both a former Minister and an adviser to the Prime Minister. Is his objection to the public session to do with the advice that the advisers give us, and if we could overcome that stumbling block, would he be open to the idea of making the Committee public? Or is his point that the Committee is really just a signposting Committee, so he believes that we never need to meet in public, because all we do is direct various directives into the public domain for discussion? I just want to get that clear, if I may.

Keith Hill: The hon. Gentleman, with his usual prescience, anticipates an argument that I intend to develop. I am grateful for his extremely warm words; he has been a significant influence on me, a new boy on the Committee, and on my understanding of its proceedings.

Just over three weeks ago, the Committee published its report on subsidiarity. In the past 12 months or slightly more, the Committee has also published reports on the Lisbon treaty and on the scrutiny function. Like any departmental Select Committee report, our reports include the full transcripts of our witness sessions, witness depositions, and the record of voting in the Committee. Proceedings were also held in public, as are the Committee's occasional sessions with Ministers. In other words, when the European Scrutiny Committee operates as a regular Select Committee, its proceedings are entirely transparent. No Committee member has a problem with that, and there is no resistance to public sessions, where they are appropriate. However, that is not the normal work of the Committee.

The greater part of our activity is not concerned with policy formation, or even the investigation of policy. That is exactly the point made by the hon. Member for Totnes (Mr. Steen). Also, for the most part, we do not set our own agenda. We receive and filter documents, and we inform the House. The European Scrutiny Committee is not the stage for great debates about the rights and wrongs of European legislation; the places for that are the European Standing Committees and the Floor of the House. On the contrary, we make a technical judgment about documents sent to us, and we report our conclusions weekly to the House in the form of our reports—there is no attempt to disguise our conclusions there—which are available in the Vote Office. In other words, we are, as the hon. Gentleman has described it, a service Committee.

Mr. Steen: A sifting Committee.

Keith Hill: I have already used that adjective; I am now describing it as a service Committee. The Committee was set up to facilitate the House's work in respect of the issues and initiatives arising from the European Union. Essentially, what we do each week is agree a Select Committee report to the House—a process, by the way, that occurs in private in every other Select Committee. The most precise comparators for the European Scrutiny Committee are not the departmental Select Committees but the House's functional or domestic Select Committees—the Administration Committee, the Finance and Services Committee, the Joint Committee on Statutory Instruments and even the Committee of Selection. The point is that those are deliberative Committees. They meet in private, and everybody accepts that. There is a well-worn adage about the work of the House—deliberate in private, legislate in public. It is good advice and a good motto, and it should apply to the work of the European Scrutiny Committee.

6.58 pm

Mr. David Heathcoat-Amory (Wells) (Con): I strongly object to the short time allocated to this important debate. I do not believe that the Leader of the House or her deputy have really done much to stand up for the

rights and privileges of this institution. The whole procedure today appears to be very much driven by the Government's requirements, and the short time allocated for this debate is a reflection of that.

The core issue in this short debate about the European scrutiny system is openness against secrecy. As usual, the friends of secrecy deploy a lot of self-serving arguments, as they have always done. I am quite sure that in the 18th century the same arguments were deployed against allowing reporters to enter the Chamber and take away records and accounts of proceedings. The argument was that the integrity and candour of debate would be undermined if the public were allowed to know what went on. That is a poor argument—and, today, a very damaging one, because there is an acknowledged gap between the public and the political system. Nowhere is that greater than in respect of European business.

Throughout the debates about the European constitution and the treaty of Lisbon, it was asserted by Ministers—by the Government—that we had to ventilate the system and allow people in to see what was done on their behalf. They do not know what is going on in secretive committees in the European Union such as the article 133 committee that sets our trade policy, because only officials sit on it and no minutes are published. It is here that people want to know what is done in their name, and although the European Union is secretive in its deliberations, there is no absolutely no need for us to replicate that secrecy in our own proceedings.

Angus Robertson: Does the right hon. Gentleman acknowledge that the strongest argument against meeting in public is that it would somehow impinge on the independent advice that we receive from our advisers? But, for the record, does the House not appreciate that it would be useful if the advice that we received in advance of meetings came with the telephone number of the advisers in question, so that, should we have any queries about explanatory memorandums, we might take them up with the advisers in advance of the meeting, which could then take place entirely in public?

Mr. Heathcoat-Amory: The hon. Gentleman makes a very creative suggestion, which the Government have not even considered. Of course we want to protect our advisers from giving confidential advice that may be damaging, but in this country we have a culture of secrecy, and official Britain needs to roll back its frontiers. It was not very long ago that the advice given by magistrates clerks in court was secret; now it is public. It was not very long ago that planning officers gave their advice to a committee only in private; now it is public. The roof did not fall in and civilisation did not end. It ought to become part of the national culture to take people along with us—to allow them to see what is done on their behalf. Of course there is an institutional tension, as there should be, between the House and the Executive, because our Clerk advisers and legal advisers quite properly give us advice that does not always accord with the advice given by Ministers, but that is a healthy part of the debate, and we should not be ashamed of it.

Mr. Cash: Taking up the point just made by the hon. Member for Moray (Angus Robertson), I must say that it would not be by any means impossible for us to have two completely separate sessions at which we dealt with the question of advice with the Clerks on the one hand and then went into public sitting. We would not need to telephone the Clerks, because we would have two separate sessions. It is perfectly simple—no problem at all. The following session would be open to the public, and open for broadcasting, as it could be and often is.

Mr. Heathcoat-Amory: My hon. Friend makes a constructive suggestion; he has lengthy experience on the Committee. What is true is that, currently, we treat the public with contempt. They read and are told that our proceedings at some point—the phrase is "when convenient"—will be opened to the public. But that is for our convenience, not that of the public. My hon. Friend the Member for Hammersmith and Fulham (Mr. Hands) gave us an example of when they do turn up. A constituent wrote to him, saying that he had gone to the Committee and had had to wait half an hour or an hour before being admitted. On more than one occasion, we have actually moved to consider a draft report and put back by another half an hour the time at which the public can be admitted. This is not our Parliament, however. The public sent us here, they pay our salary, this is a democracy and they ought to come first. They ought to be permitted, allowed, encouraged, indeed, to watch what we try to do on their behalf. The importance is obvious, and the point has already been made that more than half the legislation in this country originates from the European Union. Even the Government admit to that figure, but I believe that it is higher than that. The dominant influence on our legislation and regulations comes from the European Union.

Kelvin Hopkins: Does the right hon. Gentleman accept that some common sense has been injected into the debate with the acceptance that the official advice should be private to us? Perhaps our debate about the issues should be public, but the crucial thing is that the advice should be in private so that the officials remain private people and do not become public, political figures. That would be the problem.

Mr. Heathcoat-Amory: I have already given examples of other public bodies, such as magistrates courts and planning committees, in which what was once secret is now public—to the general benefit. I do not accept that all advice should be given in private. That should be done exceptionally, when the case for doing so is made. The case could be about national security or commercial confidentiality, or the advisers might say that they wished to give sensitive advice that could be given only in private.

However, the case should be made on each and every occasion. The presumption should be that this vital Committee, which is a conduit for more than half of all the legislative procedures in this country, should be open to the public and that the press and public can be admitted as of right. I make that modest request on

[Mr. Heathcoat-Amory]

behalf of the people who send us here, and I strongly support the amendment in the name of my right hon. Friend the Member for Maidenhead (Mrs. May).

7.6 pm

Kelvin Hopkins (Luton, North) (Lab): I have prepared a longer speech, but I have only about one minute. I have listened to the debate with interest, but I believe that we should do everything to ensure that our official advice stays private and confidential—to protect the advisers, who would otherwise become political figures. They would be identified as Eurosceptics or Euroenthusiasts, and the advice would not be as objective and robust as what we get at the moment. Such objective and robust advice is crucial.

I speak as a profound critic of the European Union who takes a view similar to that of many Conservative Members about the importance of retaining parliamentary democracy and not handing over power to Brussels and bureaucrats. What we have now actually works. One of the reasons why I so enjoy being a member of the European Scrutiny Committee is that we have absolutely first-class written and oral papers and first-class advice from our five advisers and legal adviser. If they became public in any way, we would end up with bland advice that was less robust. The Euroenthusiasts, who no doubt want to run rings around people such as myself, would have a field day.

I support Government Front Benchers strongly on this matter. If we can find a way of making our debates about Europe more public, that will be fine. However, we must, above all, protect our advisers so that they can give free, robust and objective advice about all matters European. I, for one, think that what they do now is first class and of fundamental importance to our democracy. They ensure that we understand what is going on in Europe, and that the Euroenthusiasts—many of whom are on my side of the House—do not run rings around people such as me.

I have had only a brief time to speak, but I wanted to make my point.

7.8 pm

Mr. William Cash (Stone) (Con): Very briefly, Madam Deputy Speaker—*[Laughter.]*

It being one and a half hours after the commencement of proceedings on the motion, MADAM DEPUTY SPEAKER *proceeded to put the Question already proposed from the Chair, pursuant to Order [this day].*

Question put, That the amendment be made:—

The House divided: Ayes 195, Noes 201.

Division No. 323] **[7.09 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Baron, Mr. John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Field, rh Mr. Frank
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Hosie, Stewart
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mason, John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robertson, Angus
Robertson, Hugh

Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Richard Benyon and Jeremy Wright

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Engel, Natascha
Ennis, Jeff
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Goggins, Paul
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hall, Mr. Mike
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Healey, rh John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hesford, Stephen
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hope, Phil
Hopkins, Kelvin
Howells, Dr. Kim
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Keeley, Barbara
Kennedy, rh Jane
Kidney, Mr. David
Knight, rh Jim
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McFadden, rh Mr. Pat
McFall, rh John
McIsaac, Shona
McKechin, Ann
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Reed, Mr. Jamie
Robertson, John
Roy, Mr. Frank
Ruddock, Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vaz, rh Keith
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mark Tami and Chris Mole

Question accordingly negatived.

Madam Deputy Speaker then proceeded to put the Questions necessary for the disposal of the business to be concluded at that hour.

Main Question put and agreed to.

Ordered,

That the amendments to Standing Order No. 119 and the amendments to nomenclature in the Standing Orders agreed to by this House on 7th February 2008, shall have permanent effect from 1st January 2009.

MODERNISATION OF THE HOUSE OF COMMONS (STANDING ORDERS)

Motion made, and Question proposed,

That the amendments to the Standing Orders and new Orders, agreed to by this House on 25th October 2007, relating to the recommendations of the Select Committee on Modernisation of the House of Commons in its First Report of Session 2006-07, Revitalising the Chamber: the role of the back bench Member (House of Commons Paper No. 337 of Session 2006-5 07) and the Government response thereto (Cm. 7231) shall have permanent effect with the following amendments—

(1) In Standing Order No. 24A (Topical debates)—

(d) in line 19, leave out 'six' and insert 'ten'; and

(e) in line 24, leave out from 'to' to the end of line 26 and insert 'a maximum of five interventions.'.

(2) In Standing Order No. 24B (Amendments to motions to consider specified matters)—

(a) in line 1, after 'Speaker', insert 'or the Chairman'; and

(b) in line 2, after 'House', insert 'or, as the case may be, the committee'.—*[Ms Harman.]*

Amendment proposed: (a), leave out lines 9 to 12.—*[Mrs. May.]*

Question put, That the amendment be made:—

The House divided: Ayes 165, Noes 87.

Division No. 324] **[7.23 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Bayley, Hugh
Bellingham, Mr. Henry
Bercow, John
Beresford, Sir Paul
Berry, Roger
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brennan, Kevin
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cairns, David
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Crausby, Mr. David
Cunningham, Tony
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Elford, Clive
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Fitzpatrick, Jim
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, rh Mr. Bruce
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hall, Mr. Mike
Hands, Mr. Greg
Hanson, rh Mr. David
Harper, Mr. Mark
Hayes, Mr. John
Heasley, rh John
Heathcoat-Amory, rh Mr. David
Hendrick, Mr. Mark
Hendry, Charles
Herbert, Nick
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Iddon, Dr. Brian
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Mr. Kevan
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Mallaber, Judy
Maples, Mr. John
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCabe, Steve
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oiner, Mr. Bill
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robertson, Hugh
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Skinner, Mr. Dennis
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Strang, rh Dr. Gavin
Stuart, Mr. Graham
Swayne, Mr. Desmond
Syms, Mr. Robert
Tapsell, Sir Peter
Turner, Mr. Andrew
Turner, Dr. Desmond
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watson, Mr. Tom
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Woolas, Mr. Phil
Wright, Mr. Iain
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. Richard Benyon and James Duddridge

NOES

Alexander, Danny
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Battle, rh John
Betts, Mr. Clive
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Browne, Mr. Jeremy
Bryant, Chris
Burstow, Mr. Paul
Burt, Lorely
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Chaytor, Mr. David
Clark, Ms Katy
Cohen, Harry
Cruddas, Jon
Cummings, John
Davidson, Mr. Ian
Dodds, Mr. Nigel
Engel, Natascha
Ennis, Jeff
Gapes, Mike
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harman, rh Ms Harriet
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Hopkins, Kelvin
Howarth, David

Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Mackinlay, Andrew
MacNeil, Mr. Angus
Mason, John
McCrea, Dr. William
Miller, Andrew
Moore, Mr. Michael
Mulholland, Greg
Norris, Dan
Pound, Stephen
Prentice, Mr. Gordon
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Russell, Bob
Shaw, Jonathan
Sheerman, Mr. Barry
Slaughter, Mr. Andy
Stunell, Andrew
Swinson, Jo
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Truswell, Mr. Paul
Watson, Mr. Tom
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wilson, Sammy
Wishart, Pete
Wright, Dr. Tony

Tellers for the Noes:
Richard Younger-Ross and Paul Rowen

Question accordingly agreed to.

Main Question, as amended, agreed to.

Ordered,,

That the amendments to the Standing Orders and new Orders, agreed to by this House on 25th October 2007, relating to the recommendations of the Select Committee on Modernisation of the House of Commons in its First Report of Session 2006-07, Revitalising the Chamber: the role of the back bench Member (House of Commons Paper No. 337 of Session 2006-07) and the Government response thereto (Cm. 7231) shall have permanent effect with the following amendments—

In Standing Order No. 24B (Amendments to motions to consider specified matters)—

(a) in line 1, after 'Speaker', insert 'or the Chairman'; and

(b) in line 2, after 'House', insert 'or, as the case may be, the committee'.

Speaker's Conference

7.34 pm

The Leader of the House of Commons (Ms Harriet Harman): I beg to move,

That—

(1) There shall be a committee to be known as the Speaker's Conference which shall consist of the Speaker, who shall be chairman, and up to 17 other Members appointed by the Speaker one of whom shall be vice-chairman;

(2) The Conference shall consider and make recommendations for rectifying the disparity between the representation of women, ethnic minorities and disabled people in the House of Commons and their representation in the UK population at large; and may agree to consider other associated matters;

(3) Notwithstanding any Standing Order of this House, the Conference shall conduct its proceedings in such manner, and have such of those powers which the House may delegate to select committees, as the Speaker shall determine;

(4) The Conference shall have power to report from time to time;

(5) The quorum of the Conference shall be five;

(6) This order shall have effect until the end of the current Parliament.

Anyone watching our debates today will have seen Members from all parts of the country. As Members of this House, we represent 646 different constituencies in England, Scotland, Wales and Northern Ireland. However, it is not enough to have a geographical representation. For people in this country, their identity comes not just from where they live, but from whether they are men or women, whether they are disabled, whether they are black or white and whether they are gay or lesbian. Society has changed and we must recognise that the House of Commons needs to change, too.

As women in this country, we now regard ourselves as equal citizens, yet we are not equal in numbers in this House. We are out-numbered by men by five to one. This country is ethnically diverse now—indeed, it has been for many decades—but of 646 Members, only 15 are black or Asian. To be representative of our population, we should have more than four times that number. All of us argue that a disability should not exclude someone from the mainstream of life in this country. There are 10 million disabled people in this country, yet although my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) and my hon. Friend the Member for Aberdeen, South (Miss Begg) exemplify the fact that many disabled people work alongside those without disabilities, what is normal outside the House is still exceptional within it.

If we believe that women are equal; if we are to take account of the fact that the citizens of this country are black and Asian, as well as white; if we acknowledge that someone's ability not their disability is what counts; and if we abhor the prejudice that discriminates against people on the grounds of their sexuality, we should accept that for the House of Commons to command greater public confidence and have more legitimacy it needs to be more representative of this country than it is now. How are we to convince young black and Asian men that they are genuinely included in our society and our democracy when they still see so few black and brown faces on our green Benches?

Perception matters. The first non-white MPs were elected to this House in 1987. They broke new ground. I want to pay tribute to my right hon. Friend the Member

[Ms Harriet Harman]

for Leicester, East (Keith Vaz), my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) and the late Bernie Grant. They were pioneers. I will never forget the huge impact that Bernie had on my constituents of African origin when he took part in the Queen's Speech debate dressed in his African robes. I spoke for them as their constituency MP, but as a black man of African origin like them, Bernie spoke for them, too. He made this their House of Commons, too. No law that we could have passed on that day could equal the pride that my constituents felt in their black MPs. That was a step forward for our democracy.

How could anyone doubt the importance of diversity of representation after the election of Barack Obama? Even before he has set foot in the White House as President, he has reaffirmed and re-legitimised democracy in America. He said, "Yes we can." We should say, "Yes Westminster can too."

We are talking not just about perception—how our House of Commons looks to the people of this country—important though that is, but about our reach and our ability to debate. When I first came into the House of Commons more than 25 years ago, it was into a House of 97 per cent. men. It was hard to have a sensible debate about domestic violence, which remained firmly swept under the green carpet. Child care and the balance between work and family were simply not regarded as political issues at all. The women Members who came into this House in 1997 have begun to change not just the face of Parliament, but our political agenda. But we need to make further progress.

There are issues of importance that our lack of diversity makes us unconfident to debate. How can we have a sensible debate about issues such as the veil when there are no Asian women MPs here? Mr. Speaker—I am sorry, Madam Deputy Speaker; there we go, a moment of irony. Despite the decriminalisation of gay sex in 1967, up until only a few years ago, lesbians and gays felt that they had to hide their sexuality if they wanted to get elected to this House. I am glad to say that, following the lead of Chris Smith, we now have a number of MPs who speak to and for lesbian and gay people in this country. That is yet another regard in which the House has become more representative of wider society. I am sure that, as well as MPs, organisations such as Stonewall will make an important contribution to the Speaker's Conference, and I know that Mr. Speaker will welcome that contribution. Although it will be for each party in the House to put forward Members for the Speaker's Conference, and for the Speaker to choose them, I would hope that it will include at least one gay Member of Parliament.

The Government have taken action to make the House more representative. We have brought forward legislation to allow all-women shortlists for parliamentary selection. We have legislated to outlaw discrimination on grounds of disability and sexual orientation. In the equality Bill, we will change the law to enable political parties, as part of their process of selecting candidates, to take positive measures to bring on candidates from under-represented groups, including black and Asian people. But Government action is not enough, and that is why we need a Speaker's Conference. We need a whole-House approach.

The proposal for a Speaker's Conference arises out of a raft of suggestions put forward by the Prime Minister under his governance of Britain agenda. In agreeing to a Speaker's Conference, Mr. Speaker has taken what I believe will be an historic step forward in the drive to bring Parliament into the 21st century, and I hope that all Members on both sides of the House will support him in doing so.

Speakers' Conferences are convened only very rarely, and this one will follow in big footsteps. It was a Speaker's Conference established in 1916 which secured cross-party agreement that women should have the right to vote. That was an historic and major change. I hope that we can vote today to set up this Speaker's Conference, and that it will set its sights high. The motion before the House today will establish a Speaker's Conference that will be able to meet in public, to be cross-party and to take evidence from a wide range of organisations and individuals. It will consider the disparity of representation between the Members of this House and the country at large. It will report before the end of this Parliament, and it will make recommendations.

The Prime Minister is committed to equality of representation, and so am I, but I move this motion to engender progress on a cross-party basis. Through this Speaker's Conference, and with Opposition Members, I hope that we can all work together to address a shared belief in the importance of tackling the lack of legitimacy that is inevitable until the House becomes more representative. There is a democratic deficit: the missing faces on the green Benches, and the missing voices in the Chamber. This is not a criticism of any individual Member. It is a recognition that this House has a problem that we need to change. I ask for the support of the House, not just in passing this motion but in actively supporting what I believe will be an historic Speaker's Conference.

7.43 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): We support the proposal for a Speaker's Conference. I note that the Leader of the House said that the conference would report before the end of this Parliament. Perhaps she would like to tell us when that is likely to be, as I am sure that many of us would like to know the precise date for that, or even simply to have an indication.

Previous Speakers' Conferences have looked at fundamental issues, as the Leader of the House has already said, including issues of electoral reform. Whether they related to extending the franchise, to the number and distribution of parliamentary seats, to methods of election, to election law or to election expenses, the Speaker's Conference has been the method of choice for Parliaments to debate key elements of our electoral process. Throughout all those processes, the impartial leadership and guidance of the Speaker has been essential, allowing for cross-party support for the measures.

The fact that such conferences are held so rarely—including only five times in the past century—demonstrates the importance of the topics, and the need to galvanise all involved into taking action rather than just using words. The motion before us allows us to debate the important issue of under-representation of women, ethnic minorities and disabled people in the House of Commons.

It should be noted, however, that when the Prime Minister first spoke of having a Speaker's Conference, he indicated that the remit would be much broader. In his speech to the National Council for Voluntary Organisations on 3 September 2007, he said:

"Today I am proposing to the Speaker that he calls a conference to consider against the backdrop of a declining turnout, a number of other important issues such as registration, weekend voting, the representation of women and ethnic minorities in the House of Commons, and that he should also examine in parallel with the Youth Citizenship Commission whether we should lower the voting age to 16 so that we build upon citizenship education in schools and combine the right to vote with the legal recognition of when young adults become citizens of our country."

Today's proposal, however, is principally confined to discussing greater representation for ethnic minority people, women and disabled people.

I appreciate that paragraph (2) of the motion allows the conference to

"agree to consider other associated matters",

but the word "associated" limits the scope for further discussion to matters specifically mentioned. Nevertheless, despite its limitations, we support the motion. It would be helpful if the Leader of the House explained in her concluding comments why the proposed Speaker's Conference has been truncated to a version that is substantially less than the one originally proposed by the Prime Minister. Will she also enlighten us as to whether the issues of voter registration, voting at weekends and so forth are likely to be looked at in some other forum?

Mr. James Arbuthnot (North-East Hampshire) (Con): I am listening carefully to my hon. Friend and agree with everything that both he and the Leader of the House have said. Might not the motion be limited in order to focus on the matters of greatest importance? The inequality of representation in the House is a scandal that must be addressed and it is right to concentrate on that. If we widen the debate too much, we might end up not having an answer to anything.

Mr. Vara: My right hon. Friend makes a relevant point and I suspect that Government Members would agree that that was indeed the reason for the limitation. I would nevertheless like to hear from the Leader of the House whether other forums will be established to discuss the other important matters raised by the Prime Minister in his earlier comments.

John Bercow (Buckingham) (Con): My hon. Friend is making a typically courteous speech, which the House appreciates. For the avoidance of doubt, however, I put it to him that our right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot) is likely to command considerable support for what he said. If we focus this Speaker's Conference on a narrow number of very important matters, we have a much better chance of eliciting a decent and focused result, which must include greater representation of women, members of the ethnic minorities and people with all sorts of disabilities, including communication disabilities.

Mr. Vara: I agree with my hon. Friend, whose comments are, as always, relevant and pertinent. I certainly agree that we should have no poverty of ambition in respect of what we seek to achieve.

Before I move to the substance of the issue, I express my support for conducting the conference along the lines of a Select Committee. That will allow for the reporting of proceedings, the taking of oral evidence from relevant people and so forth. This will be welcomed and it will contribute to producing a more effective conclusion at the end of the conference.

On representation in the House of Commons, there has certainly been an improvement in recent years, particularly for women and people from minority communities, but it goes no way as far as we would like. Clearly, much more needs to be done if we are to be truly representative of the people of Britain. That being said, may I put on record the fact that although the Conservatives have only 17 women Members—we are trying to improve the position—we are pleased that we had the very first woman Prime Minister? We are also pleased to say that we have had two party leaders of Jewish origin, one of whom was Prime Minister, and that ours is the only major party to have had a Roman Catholic leader. Although we recognise the present deficiency in the number of Conservative women Members of Parliament, we have certainly played our part in the attempt to provide role models in the context of other issues.

It is important for any methods used to change selection patterns and increase representation to be long-term measures, not just quick fixes. It is vital for selection guidelines and processes to be reviewed to allow a genuine step change in representation. What matters is for people to have the requisite skills and competences to do the job. That is something that Conservative Members have been working hard to achieve in our own selection processes. I am pleased to say that, in recent times, we have had a good deal of success in increasing the number of women candidates selected to fight winnable seats in the next election. As a result, it is likely that if an election were held tomorrow and we had a majority of just one Member of Parliament, we would see an increase in the number of Conservative women Members from the present 17 to between 50 and 60.

Let there be no misunderstanding. We recognise that there is much more to be done. That is not to say, however, that we should not also recognise that we have done a lot in the past two years, which will pay dividends both at the next election and, we hope, in the years ahead.

Sir Nicholas Winterton (Macclesfield) (Con): I agree with much of what my hon. Friend is saying. He will have heard the Leader of the House use the election of Senator Barack Obama—who will become President of the United States in the middle of January next year—as an example of what has been done in America. Senator Barack Obama won that election deservedly, and I personally welcome it, but does my hon. Friend not accept that he did so without any positive discrimination? Is it not important for us, in the House and in the country, to seek not to manipulate results, but to achieve them on an open and transparent democratic basis?

Mr. Vara: I shall deal with that point later in my speech, but let me put on the record now that Senator Obama has exceptional qualities, and has got where he is on merit.

[Mr. Vara]

I very much hope that the experiences of all political parties in grappling with the problem of putting more minority groups, women and disabled people in Parliament will be discussed and dealt with at the Conference, and that all of us—members of all parties—will be able to learn from each other's experiences.

Let me now turn to the parliamentary representation of people from ethnic-minority backgrounds. Of course an increase in representation is necessary: we all agree on that. We need to engage positively to encourage more people from minority backgrounds to enter politics in general, not just Parliament. That means their standing for the membership of parish councils, district councils, city councils and county councils, as well as the European Parliament. However, it is important for us also to ensure that those of us from such backgrounds are not pigeon-holed into what are deemed to be ethnic-minority seats or areas, for reasons of political expediency or otherwise. It is important to break down barriers of that kind in selection processes.

My hon. Friend the Member for Windsor (Adam Afriyie) represents a seat with a very small ethnic minority population, as do I. Both our constituencies can hardly be described as diverse in their demography. That fact is very significant, as it moves the issue of representation away from ethnicity alone and makes such elections mainstream. It helps to create an atmosphere less of "them and us" and more of the selection of people on merit, regardless of ethnic background, to represent any part of the country. To that end, I am pleased to say that my party has selected a number of ethnic minority candidates, to fight seats such as Witham, Chippenham and Maidstone, all of which are comprised of a predominantly indigenous population. Those selections are breaking down barriers and have led to the recent positive comments of Sir Trevor Phillips about the Conservative party's work in this area. Moreover, Simon Woolley, of Operation Black Vote, has said:

> "Credit where credit is due: the Conservative leadership is doing its level best to...ensure the party becomes more inclusive and representative."

I would like to make a suggestion for the Speaker's Conference: that it not only considers how to increase ethnic minority representation in the Commons, but tries to ensure that the new ethnic minority Members of Parliament represent mainstream Britain, and not only certain communities within it. That has to be the way forward.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): The hon. Gentleman will be aware that I was first elected to this House 21 years ago, and I consider myself to be representing mainstream Britain; I remind him also that indigenous Britons now come in all classes and all religions. It is tiresome, 21 years later, to hear people talking about making people MPs on merit, because when my right hon. Friend the Member for Leicester, East (Keith Vaz) and I were selected 21 years ago there were many black and Asian people of merit, and that remains the case to this day. We want due speed in tapping into all the talent and all the ability in our wider population that could be here on the Benches of the House of Commons.

Mr. Vara: I agree entirely with the hon. Lady, and I fail to see where the misinterpretation has been. She is a shining example of what merit can do and of how far people such as herself and the other three Members to whom the Leader of the House referred in her speech can rise on their abilities to represent people. What I mean when I talk about mainstream representation is that it is important that we do not have a selection process whereby ethnic minority candidates are perceived, as they are in some quarters, as being suitable or more suitable for representing seats where there are more ethnic minority people. That is where I am going, and all I am saying is that we have reached the stage where British people are sufficiently able and fair-minded to select people on ability and merit.

Emily Thornberry (Islington, South and Finsbury) (Lab) *rose—*

Mr. Vara: I hope that the hon. Lady will forgive me for not giving way. I am mindful that there is a limited time for this debate and that many people wish to speak. I am sure she will have an opportunity to come in later.

As for disabled people being in the House, that issue must be examined. We must ensure that the opportunities for their selection as candidates and election as Members are the same as those for non-disabled people. We must address something else if we are to have more disabled people in the House: we must ensure that the House itself is more easily accessible for them. It is bad enough that there are barriers to getting elected to the House, but worse still is the fact that the House itself is so difficult to get about for those who are disabled.

I am mindful of the woefully short time that has been devoted to debating this important motion, so I conclude simply by welcoming the motion, which I very much hope will help to pave the way to having a 21st century Parliament that represents 21st century Britain.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. There is little time for this debate. May I ask Members to be self-disciplined in their contributions, so that the debate can be more representative?

7.58 pm

Mr. Parmjit Dhanda (Gloucester) (Lab): I shall be very brief, Madam Deputy Speaker.

As I sit on this Bench today, it feels as though I am witnessing history in the making, and it is a delight to be here. I shall tell a short story about the culture shock I felt when I first came here. For a number of years, I tried to get into this place as a researcher, but no MP would have me, so I had to get elected in order to come here. I remember coming through the Carriage Gates on my first day in the little two-seater red sports car that I had back then. I was 29-years-old, I had the windows down and the music quite loud, and I thought, "This is fantastic. I am a Member of Parliament now." I walked into the Chamber—the House was not sitting at the time—and I was asked who I was and where I thought that I was going. I took the little green and white badge out of my pocket, showed it and everything was okay. I can clearly recall that what I really wanted to do was to

quote Eddie Murphy in a film called "48 Hours". I wanted to say, "I am your worst nightmare. I am a black man with a badge." I paraphrase—that is not actually what he said.

I do not think that these people—either the Doorkeeper on the gate, or the journalist who first wrote about my selection in Gloucester—are intrinsically racist. However, I agree with some of the things that Trevor Phillips said over the weekend. Dealing with institutionalised racism, to go back to the definitions from Macpherson, is about accepting that there is discrimination in all public bodies and institutions. We have to be brave enough to say that none of us—no political party—is immune from that. It is a case of how we challenge it and how we move on.

When journalists wrote about me in a newspaper, saying that the people of Gloucester had not reached a sufficiently advanced state of consciousness to accept a foreigner as the local MP and that the Labour party in Gloucester had made the same mistake as the Tories did in Cheltenham when they chose a black barrister, John Taylor, as a candidate, they were fundamentally wrong. When it comes to one member, one vote, to balance in the Labour party and to our electorate, I do not think that the British people are any different to the American people.

I am pleased to welcome the Speaker's Conference, and I pay tribute to my right hon. and learned Friend the Leader of the House for pushing the proposal forward. I hope that we learn one thing over the next 12 months. When I speak, Y'know, it is okay for me to say "Y'know". I grew up in the constituency of my hon. Friend the Member for Ealing, Southall (Mr. Sharma), so rather than, "Y'know", I might say, "Hanna", at the end of every sentence. I hope that the conference takes into account the fact that that does not make me any less of a person. It comes from where people grow up and is part of what they are—it does not make them any less intelligent or less able to do a job in this House. I hope all Members will take that on board over the course of the next 12 months.

8.2 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I am pleased for the hon. Member for Gloucester (Mr. Dhanda). People will note and applaud what he said and how he said it. It is a great pleasure to have people such as him in the House and to see the change that has happened since the Leader of the House and I were elected.

I pay tribute to the Leader of the House. We have had our differences on other matters earlier today, but she has made it absolutely clear that this place needs fundamental and wholesale reform of its membership. I have shared that view since the moment I came through these doors, a couple of months after she did.

We live in a country where the majority of people are women. Parliament should reflect our country. In other countries in Europe, in Latin America and in Africa—for example, in Rwanda—there are Parliaments that have almost an even balance between women and men.

We live in a country where significant numbers of people are black and from other minority communities. The Leader of the House's constituency, and mine, have large African communities, which improve where we live and make them different, better and more interesting.

We live in a diverse, exciting Britain, but it does not always feel like that in this House. Why? Instead of having 10 per cent. black and minority ethnic Britons in the House, which would be about the right ratio, we have nothing like that. It is frustrating for me and my colleagues. Our party had the first non-white MP, elected to Finsbury in the 1880s, but we have not been able to sustain that. There was a long period when no party had any black, Asian or minority MP at all, until the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), the right hon. Member for Leicester, East (Keith Vaz) and others came. They made it very clear that it should not just be them, but that others should be allowed to follow in their wake. Have we begun to be alert to those things?

I shall be very brief, as it is important that a diversity of people contribute. The amendment tabled by the hon. Member for Cannock Chase (Dr. Wright) has not been selected for debate but, like the hon. Member for North-West Cambridgeshire (Mr. Vara), I hope that its sentiment is accepted. This debate should not be only about women, or people from black and ethnic minorities, or disabled people. It should also be about gay people and young and older people, and about having a diverse Parliament. Unless we see that in the broad spectrum, we are not fulfilling Parliament's expectations of us.

I join those who say that the Speaker's Conference is significant and welcome, and I hope that it is as groundbreaking as many of us hope and want it to be. It is urgent that we change. By electing Barack Obama, America showed what can be done if politics is opened up. It showed how more people—young people and those who have never voted—can be engaged in voting. We need people to look at Parliament and say, "I could be there, there are people like me there." That is the difference that it makes when there are young people and old people, as well as able bodied people and ones with disabilities, and so on.

I shall end with two final points. I pay tribute to my hon. Friend the Member for East Dunbartonshire (Jo Swinson), who chairs an organisation in our party called the campaign for gender balance. Like the rest of us, she has worked to make sure that we do not just sit passively by and let selections happen. At the last general election, our party doubled from five to 10 the number of women we have here. For the first time, in most of the seats that we hold where Members are standing down—and I think that there are six of them—most of the people selected to take over are women. We have to work at these matters all the time, as nothing happens automatically. That is why we need to look at the broader canvas.

Like my party leader, my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), I support the initiative taken by the right hon. Member for Leicester, East, which has been used by the Labour party. The right hon. Gentleman has said that in certain circumstances positive action has to be taken, and that positive discrimination should be adopted for a limited period, because one sometimes has to break the glass to make the breakthrough. That does not always happen unless really dramatic action is taken to make it happen.

My final point is an obvious one. I know that people bristle when this is mentioned, but we have to look at the fact that our electoral system militates against representativeness. I am not a theological purist for the

[Simon Hughes]

single transferable vote. That is not where I come from, but I know that a proportional system of election such as operates in other Parliaments in this country and elsewhere provides a better balance of representation. That has to be on the agenda for us to discuss, and it is clearly included in the remit of the motion.

I hope that no one will have any no-go areas in this debate. I hope that all of us will go into it with open minds and be willing to look at all options. I believe that the wish of the Leader of the House and of many of the rest of us is that, when we finish our duties in this place, we leave it as somewhere that looks, feels and sounds like Britain. I think that Parliament will make much better decisions as a result, because the mix that is Britain will be contributing to them.

8.8 pm

Emily Thornberry (Islington, South and Finsbury) (Lab): As a representative of an inner-city seat, I represent mainstream Britain. When I was a child in the 1970s, I remember my stepmother saying, "We are fighting the battles of women's liberation not for ourselves, but for you, Emily. We won't see equality, but you will."

Unfortunately, of course, I have not seen that equality. It is said that women hold up half the sky, but when one looks around this place it cannot be said that women make up half of Britain's decision makers. Women make up only 20 per cent. of Members of Parliament, although this evening just over 50 per cent. of Labour Members present are women. That is a healthy mixture.

There are 94 women Labour MPs, which compares with the Tories' 17 and the Liberal Democrats' pitiful nine. That is still not good enough, and it is not democratic. In the international league table of the representation of women, the UK comes a shameful 59th—behind Rwanda, Afghanistan, China and Honduras.

It is about time that we did something about the problem. At the present rate of increase in women's representation, not only will I not see women's equality in this place, but neither will my daughter—nor her daughter, nor her daughter, nor her daughter, nor her daughter, nor her daughter. But her daughter might, by the time that she retires. That will not do. We must do something. I want to be able to tell my daughter that the battle I am fighting is a battle for her, and to be able to deliver that for her. I want us to win this battle for us all.

I wholeheartedly support this initiative, but with one reservation. The proposed Speaker's Conference should expand its remit to consider the increased representation of lesbians, gay people and bisexuals, because to have only one out lesbian in this place of 1,300 politicians is not sufficient to be able to speak about the lived experience of Britain's 1.8 million lesbians on their behalf.

8.10 pm

John Bercow (Buckingham) (Con): This is a far-sighted and progressive initiative, upon which I congratulate the Government. May I begin by agreeing with the suggestion of the hon. Member for Islington, South and Finsbury (Emily Thornberry) that it would be a useful addition to the robust terms of reference that have been established to consider how we might ratchet-up the representation of lesbians, gay men and bisexuals in this representative House of Commons?

I want briefly to make two points, as I am conscious that other Members wish to speak and they should have the opportunity to do so. First, this is, of course, about doing the right thing by people who have suffered too much for too long with too little done to help them—people who, on the basis of their ability, in a discrimination-free society would have been in this place for some years already, but who have not been elected and who probably will not come to be elected if we do not change the social mores of this country. Therefore, there is a sense in which we are seeking to cater to the interests of those individuals—be they gay, lesbian, members of ethnic minorities, women or people with disabilities—for their benefit. Secondly, and critically, as Members have mentioned—including the hon. Member for Gloucester (Mr. Dhanda) in his excellent speech—we are seeking to do this because it is for the benefit of the country as a whole. We should not be defensive about it and think it is something we have to do to satisfy a fashion or in accordance with the dictates of a particular plaything of a given politician. It is not about that. Our democracy will be richer, stronger, more diverse, healthier and broader if we go about this process.

Of course, people will have their own views about the particular policies that should flow from the conference, and it is right that we should let the evidence take us in the direction it takes us. For my own part, I think that the conference must consider—and I feel sure that it will—the implementation of positive discrimination measures, because the evidence is that without them we might achieve progress, but we will do so at a snail's pace. We owe it ourselves in this House, and to the people in the country at large, to do better. It is a fine initiative, and I wish it well.

8.12 pm

Dr. Tony Wright (Cannock Chase) (Lab): I, too, very much welcome this initiative, and I think it promises much. I agree with everything that has been said, and I will not repeat Members' comments as that would be a waste of time. Instead, I shall be extremely brief.

Let me explain what I would have liked to have happened—and as the motion includes the phrase "other associated matters", I hope it will happen. I am making a plea for "other associated matters" to be considered. In doing so, I would like to refer to an interesting speech made last week by my right hon. Friend the Secretary of State for Communities and Local Government. The speech was widely reported, largely because it was seen to be attacking bloggers. I agree with her on attacking bloggers, who exchange argument for vitriol, but that is not the argument I wish to highlight now.

My right hon. Friend also sought to describe what she thought was an exclusion from political life in this country, and which means having to talk about a word that has not been mentioned at all in our discussions so far: class. The Labour party was born to bring working-class people into political life. That is what the party was about. It came into existence because the Liberals were refusing to choose working-class candidates, so the trade union movement and others said, "We will set up our own party to ensure that working-class people can enter Parliament." It would be odd to talk about the problem of under-representation in public life, and to set up a Speaker's Conference at which we could think about those issues and come up with remedies, without

mentioning class at all. As my right hon. Friend said in her speech last week, it is pretty clear that we have a huge problem with the exclusion from political life of people who live at the sharp end of society.

Ms Abbott: Will my hon. Friend give way?

Dr. Wright: I will not, if my hon. Friend does not mind.

There are all kinds of social reasons for the problem, but to think that it is not an issue, and simply not to include it in the terms of reference of the Speaker's Conference, would be unfortunate. There is at least an argument to be had about whether middle-class women or working-class men are most under-represented, although they are both under-represented. That issue should be included.

When we talk about under-representation, we have to talk about over-representation, too. We know that former public schoolboys are vastly over-represented in the House of Commons. I think that they are the majority element on the Conservative Benches. Is that primarily a statement about gender, or class? The truth is that it is a statement about both, so both have to be included. I hope that we shall not forget that issue, and will consider it with all the other subjects that I would like to be included in "associated matters", as it goes to the heart of what our party is about.

I now come to my second point on class, which, again, was mentioned by my right hon. Friend the Secretary of State last week, although it has been mentioned by other people, too. If we are seeing the creation of what one might call a political class—a class of people whose only trade in life has been politics—we are creating a political class that is exclusive, and whose members live in a kind of bubble and are disconnected from the rest of society. There are major trends in that direction. I absolutely accept that we want to increase the representation of women and ethnic minorities, although I am outnumbered on this Bench, and the representation of people with disabilities and other people, too. However, if we simply finish up with a political class, in which there are more women, more people from ethnic minorities, more people with disabilities and so on, we shall not quite have attacked the problem of an exclusive political class. That is why I hope that we can smuggle some of those issues in under "other associated matters".

8.17 pm

Jo Swinson (East Dunbartonshire) (LD): I feel passionately about our democracy. I believe that it is good thing for people to participate in democracy, and that it is essential that they do so if we are to have a successful democracy. We have a problem if lots of groups of people feel alienated when they turn on the television and see what goes on in this place, and realise that it does not represent society or them. That is the case whether we are talking about women, people from black and minority ethnic backgrounds, people who are disabled, people who are gay, or people from different faith groups. I just mention to the shadow Deputy Leader of the House that at least one other major party has had a Roman Catholic leader; my right hon. Friend the Member for Ross, Skye and Lochaber (Mr. Kennedy) certainly falls into that category.

Another group of people for whom I would like to make the case is young people. I declare an interest as the only Member of the House currently under 30. I enjoyed the story that the hon. Member for Gloucester (Mr. Dhanda) told about his experience when he arrived in the House; he was basically asked who on earth he was and what he was doing there. That reminded me of my early experiences in the House. It took quite a long time for people to stop asking me which MP I worked for.

At 28, the House is one of the few places where I ever feel young any more. I speak to teenagers in my constituency, and it is quite clear that I am no longer one of the young people. If we think about people who are in their late 20s out in the country, they are running successful businesses, performing operations in hospitals, and taking cases to court as barristers. They are involved at a high level in every other aspect of our society. We should hope to have more young people involved in elected politics, especially in this House. I look forward to the opportunity to pass on the title of youngest MP after the next election.

I pay tribute to the Leader of the House for her many years of campaigning on the issue of women, which is one of the most glaring inequalities of representation in the House. She has truly fought hard, and on a personal note as a new woman MP, I must say that she went out of her way to be a friendly face and to have a friendly word, and I am sure that I am not the only woman MP who can say that about her behaviour.

My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) mentioned my work as chair of the Liberal Democrat campaign for gender balance, and I strongly believe in encouraging many more women to get involved in politics. It is something that they would actually enjoy, because, despite what we are doing today, it is not all about getting up and making speeches; most of our job as politicians is about listening to people, understanding our communities and making things happen—activities that women are good at and enjoy. I very much look forward to seeing after the next general election many more women MPs—I hope—from all parts of the House. I particularly hope to see more women on the Liberal Democrat Benches, because I have been working with many talented women who have been selected as candidates for seats that I very much hope that we will win at the next election.

My party has taken a view on positive action, encouraging, training and, crucially, finding women to be candidates, because, looking at the numbers, it is there, rather than in selection, that we have the problem. But I defend the right of other parties to use positive discrimination, because every party must examine the problems that they need to solve to achieve better representation. I noted the comments of the hon. Member for Macclesfield (Sir Nicholas Winterton), who is no longer in his place, but we must shy away from parties telling each other about the only way to achieve success. We should have legislation that enables parties to make their own choices, and give parties the freedom to choose.

Other Members want to speak, but, in conclusion, the Speaker's Conference is a fabulous opportunity to address the issues of under-representation, and I sincerely hope that it is the start of real change in Parliament.

8.21 pm

Keith Vaz (Leicester, East) (Lab): I shall speak briefly, first to thank the Leader of the House for her kind comments about myself and my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott). I am nervous about sitting next to my hon. Friend, however, because the last time that I did so we were discussing the issue of 42-day detention, and she heckled me throughout my speech.

Mr. David Winnick (Walsall, North) (Lab): Rightly so.

Keith Vaz: My hon. Friend heckled me, too. However, on this occasion, my hon. Friend the Member for Hackney, North and Stoke Newington and I are on the same side.

The Leader of the House is a true campaigner, and although I am absolutely certain that she has many years ahead of her in government, I think that this issue will represent her place in history. The way in which she has clearly put her footprint on the equality agenda, by ensuring that we have an equality Bill, and by moving such issues forward, is a terrific tribute to her, and it is paid not just by me but by the hon. Member for East Dunbartonshire (Jo Swinson), who has just spoken, and by others.

It has been great to hear contributions to the debate by others from all parts of the House. The hon. Member for North Southwark and Bermondsey (Simon Hughes) is a great champion of equality in the ethnic minority communities, but may I say to the hon. Member for North-West Cambridgeshire (Mr. Vara), who spoke from the Conservative Front Bench, that he does not have to be defensive about the issue of being pigeonholed? His party should be very proud of him. When my hon. Friend the Member for Hackney, North and Stoke Newington and I entered the House, I never thought that we would see someone from the ethnic minority communities speaking on behalf of the Conservative party from the Front Bench. He does it with great dignity and he is there on merit, and the fact is that he is only the third ethnic minority person ever to serve the Conservative party as a Member.

Mr. Vara: Will the right hon. Gentleman give way?

Keith Vaz: I shall not, because time is very short. */Interruption./* All right, I shall.

Mr. Vara: It is not that I fear that I am pigeonholed, because I am not. I simply want to clarify the point that if Parliament is to progress in the 21st century, we must have a Parliament in which ethnic minorities do not represent constituencies where, on the whole, there are large ethnic minority communities. In the same way that white Members can represent ethnic minorities, ethnic minority Members can represent substantially white seats.

Keith Vaz: My hon. Friends the Members for Preston (Mr. Hendrick), for Gloucester (Mr. Dhanda), for Glasgow, Central (Mr. Sarwar), for Ealing, Southall (Mr. Sharma), for Hackney, North and Stoke Newington and for Brent, South (Ms Butler), and the Under-Secretary of State for Justice, my hon. Friend the Member for Dewsbury (Mr. Malik), and the Minister of State, Department for Innovation, Universities and Skills, my right hon. Friend the Member for Tottenham (Mr. Lammy) do not represent just the ethnic minority communities. */Interruption./* I understand what the hon. Member for North-West Cambridgeshire is saying, but anyone elected to this House—woman, man, ethnic minority—represents their entire constituency, and that is why we should be very proud of the fact that we have such a large representation.

I agree with the hon. Member for Buckingham (John Bercow): I know that it is dangerous to prejudge the outcome of the Speaker's Conference, because it has not actually started, but he is right that we need to look at the issue of positive action. That is why I strongly favour the political parties themselves taking action. The reason why Parliament has to take action to improve the number of ethnic minorities and women in the House is that so far the political parties have failed to do so. That is why I favour the establishment of all-ethnic-minority shortlists. Look what they have done for women's representation. Look at this single Bench before me, Madam Deputy Speaker—seven fine women are sitting on it. I cannot say how many of them were selected by all-women shortlists, but the majority of them probably were.

Only if the political parties decide to take action themselves will we get more ethnic minorities into the House. I hope that the Speaker's Conference will encourage them to do so and that it will fully engage with the communities outside. I welcome the fact that it will meet not only in Westminster, but in different parts of the country, which is important. I disagree with the Chairman of the Joint Committee on Human Rights, who is wrong to say that the Labour party is institutionally racist, because those of us who represent it would not belong to such a party.

We should consider the reasons why, on trends thus far, it will take 75 years for the number of ethnic minority people in the House to reflect their percentage among the population. My hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry) represents the constituency for which the first ethnic minority MP was elected. As she asked, how many generations of her daughters, granddaughters and great-granddaughters will it take for women to be equally represented in the House?

As the hon. Members for Buckingham and for North Southwark and Bermondsey have said, we have to think positively and make sure that we make the radical changes. Then we will be able to be proud of a House that is a mirror of the country.

8.26 pm

Fiona Mactaggart (Slough) (Lab): I rise to make the point that getting better representation for those who are currently under-represented is a matter not only of fairness to people who want to be in Parliament, but of better government. The lack of research on the difference that a substantial increase in the number of women and better representation of ethnic minorities has made in Parliament is shocking. After 1,000 days of the Labour Government, I did a bit of cod research that made it completely clear that not only the debates had changed—the Defence Committee was talking about soldiers' families, Budgets were putting money into women's pockets and

we got rid of the tax on sanitary protection. Those things would simply not have happened without the voices of women here.

One of the important reasons why we have to improve the situation is that all sorts of other things are not happening. For example, family visits cannot happen in a reasonable way under our immigration system, but that is not enough of an issue here because not enough of us have the daily experience of the degradation and exclusion involved. It is a shocking fact that, for the first time in 10 years, three Departments have no women Ministers. There has been great progress, but it must get better.

I want to challenge a point made by the hon. Member for North-West Cambridgeshire (Mr. Vara). Were there to be a majority Conservative Government, he is proud that there would be 50 women on the Tory Benches. Frankly, that is pathetic. At the last election, 65 per cent. of the new Labour MPs were women. That is the kind of difference that we need if this place is to represent the country that we claim to represent.

8.28 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): In the past few days, I have had the privilege of being in the United States. I cannot stress enough to the House how the election of Barack Obama has electrified ordinary people there—I mean not only black people, but Hispanics and white people. They have been electrified and reassured that the system and democracy work. Increasing representation for ethnic minorities and women is not just for the benefit of the individuals who might get a parliamentary seat but for the benefit of the political process—to make it look like a living and real thing to our electorate.

We hear a lot of talk about positive discrimination. Having debated this issue over 21 years, I deplore that term, because it implies that we are taking under-qualified people and making them Members of Parliament. I prefer the phrase "positive action", because that is what I want to do—to tap the talent and ability of the qualified persons out there and bring them in here to enhance our democracy.

A few weeks after I was first elected 21 years ago, I was at a meeting in my constituency where I met a woman I had never met before who looked at me and said, "When I saw that you were elected as a Member of Parliament, I felt big." What she meant was that she felt enhanced, she felt part of civil society, she felt proud, and she could see the possibilities for her children. It is easy for this to dissolve into party political bickering and point scoring, but there are so many people out there in our constituencies who want to be able to look at the House and know that it offers a promise of hope and advancement and a future for their children.

I hope that the Speaker's Conference, in which I hope to play a part, will come up with an outcome that means, just as the election of Barack Obama means that many millions of American children of different colours and classes can aspire, that our children, in all our constituencies, and whatever their colours, religions or races, feel able to aspire, too.

Question put and agreed to.

Ordered,

That—

(1) There shall be a committee to be known as the Speaker's Conference which shall consist of the Speaker, who shall be chairman, and up to 17 other Members appointed by the Speaker one of whom shall be vice-chairman;

(2) The Conference shall consider and make recommendations for rectifying the disparity between the representation of women, ethnic minorities and disabled people in the House of Commons and their representation in the UK population at large; and may agree to consider other associated matters;

(3) Notwithstanding any Standing Order of this House, the Conference shall conduct its proceedings in such manner, and have such of those powers which the House may delegate to select committees, as the Speaker shall determine;

(4) The Conference shall have power to report from time to time;

(5) The quorum of the Conference shall be five;

(6) This order shall have effect until the end of the current Parliament.

House of Commons Members' Fund

8.31 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): I beg to move,

That, pursuant to section 4(4) of the House of Commons Members' Fund Act 1948 and section 1(4) of the House of Commons Members' Fund Act 1957, in the year commencing 1st October 2008 there be appropriated for the purposes of section 4 of the House of Commons Members' Fund Act 1948:

(1) The whole of the sums deducted or set aside in that year under section 1(3) of the House of Commons Members' Fund Act 1939 from the salaries of Members of the House of Commons; and

(2) The whole of the Treasury contribution to the fund.

The House of Commons Members' Fund is, in essence, a benevolent fund for former Members and their dependants who have fallen on hard times and need financial assistance. That is a function that a good many employers carry out as part of their social responsibilities, and it is right that this House should do likewise. The fund currently has around 90 beneficiaries, a few of whom are former Members, mostly very elderly, although the majority of beneficiaries are their surviving widows and other dependants. The motion concerning appropriation is brought forward every year in line with legislative requirements, and it enables the trustees to continue making awards to ex-Members and their dependants, having regard to individual circumstances.

The fund is governed by a variety of Acts of immense complexity that stipulate the basis on which payments can be made and the amounts payable. Some payments are known as "as of right" payments—a rather misleading term, since there is no particular legal right attached to them. "As of right" beneficiaries are such because they are not entitled to a parliamentary pension because they left the House before 1964 or are widows or widowers of former Members who have a parliamentary contributory pension fund benefit below the current specified level, and the fund makes up the difference. The other category of payments comprises those awarded at the trustees' discretion. Discretionary payments can be recurring to improve a person's standard of living, but they are more usually one-off grants to improve the quality of life and meet a particular need. The average value of the recurring payments is about £2,000 per annum. A handful of one-off grants are made each year, with an average value of only about £5,000. Relatively small sums can make a great difference in some circumstances. I commend the motion to the House.

Let me take this opportunity to mention the review of the fund. As some hon. Members will be aware, an extensive review has been completed, and conclusions have been reached and endorsed by the trustees and the Members Estimate Committee. Implementation of the changes would, however, require changes to primary legislation. If new legislation is passed in line with the conclusions of the review, we will do away with the need for a Treasury contribution into the fund and for the annual appropriation motion. The review also recommended that "as of right" grants to former Members and spouses of deceased former Members paid under the House of Commons Members' Fund be increased from the very meagre current level of £2,924 to £5,000 per annum for a former Member and from £1,827 to £3,125 per annum for widows.

Following discussions with the Leader of the House, it has been agreed that the most appropriate way of increasing the grants is by way of the trustees exercising their discretion. The trustees will be meeting tomorrow to discuss and, I hope, agree the most appropriate method for the recommended increase to grants made under the House of Commons Members' Fund and Parliamentary Pensions Act 1981, and the way in which it should be applied.

John Bercow (Buckingham) (Con): Approximately how many people currently benefit from the fund, and can my right hon. Friend offer the House a breakdown of the distribution of those benefits between former Members on the one hand and spouses or family relatives on the other?

Mr. Lilley: I cannot give a detailed breakdown. As I mentioned, there are currently 90 beneficiaries, the majority of whom are widows of former Members who were not entitled to have a proportion of a former Member's salary increased when the new increase for widows was introduced in 1975. By discretion, we raised the amount that they receive from three eighths to five eighths. That is the biggest single category. Then there is the category of Members who retired before the pension scheme was properly up and running, and their widows—that is the next biggest. Every year there will be a handful of former Members who have fallen into difficult circumstances who usually receive discretionary grants.

Simon Hughes (North Southwark and Bermondsey) (LD): I am grateful for what the right hon. Gentleman and his colleagues do. Following on from the last question, can he tell us whether the trustees have complete discretion in each of the categories? Do they vary the amount depending on the circumstances and plea of the applicant, or is a standard sum given, so that those entitled get their £3,000 a year or whatever is appropriate?

Mr. Lilley: I am grateful for the question. In the case of the so-called "as of right" beneficiaries, a standard amount is set down. It is a very meagre amount, and if they have additional needs, they can make an application for an additional grant reflecting their circumstances. The amounts given to the other, smaller number of beneficiaries are made entirely on the discretion of the trustees. The trustees have the power, through that discretion, to raise the "as of right" amount from one standard level to another. I would prefer that to be done by legislation, but we cannot wait for that so we will use the discretionary method, assuming that the trustees confirm the decision they previously mooted when they meet tomorrow.

I conclude by thanking my fellow trustees for the work that they undertake on the fund's behalf. It is not a hugely onerous task, but it involves Members' time and we all know how valuable a commodity that is. It is a necessary and valuable task to fulfil the whole House's responsibility to those of our former colleagues and their dependants who need our help.

8.38 pm

The Deputy Leader of the House of Commons (Chris Bryant): I rise to add the Government's support for the motion, and I would like to pay an enormous tribute to

the right hon. Member for Hitchin and Harpenden (Mr. Lilley). He and I used to worship at the same church—St. James's in Prebend street—and I think that the poor man actually had to listen to me preaching. He will be grateful that I shall not speak at any great length tonight. The whole House is grateful to the right hon. Gentleman and all of the trustees because we like to know that the £2 that we each give every month goes to a good cause, and is well administered. It is also important that the Treasury contribution is well administered. Although many of our constituents think that we live in pretty good circumstances and that there is fine provision for us in our retirement, such provision did not exist in the past for previous hon. Members. Sadly, many are in indigent circumstances, and it is therefore important that we ensure that funds are available. As the right hon. Gentleman said, sometimes a small amount of money can make an enormous difference to a particular person as they grow older.

I am sure that all hon. Members want to reaffirm their commitment to the cause, and I thank the right hon. Gentleman for putting the case for the fund and answering so clearly the few questions that were put to him. Without further ado, I am happy to support the motion.

1.40 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I welcome the motion, which allows for the appropriation of hon. Members' contributions from their salaries and for that of a sum from the Treasury. The fund significantly benefits former Members or their surviving spouses and dependants, whether they are "as of right" or discretionary beneficiaries. Often, the sums of money involved are relatively small, but they make a huge difference to the 90 or so recipients.

I do not wish to detain the House longer than necessary, so I conclude by expressing a big thank you to my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) and his fellow trustees. They do their work quietly and without fanfare, but they make a difference and improve the quality of recipients' lives. For that, they should be commended.

1.41 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I will be as brief as my two colleagues who spoke from their respective Front Benches. First, I thank the right hon. Member for Hitchin and Harpenden (Mr. Lilley) and his colleagues. Secondly, I make the obvious point, which reflects a comment made by the Deputy Leader of the House, that it is right that we, who are on pretty decent salaries, make some contribution to those who came before us, when salaries were minimal and there was no proper provision for pensions, or for families or other dependants to have pensions.

The resourcing of this place has changed fantastically in the period that the right hon. Gentleman and I, as well as others, have been here. Resources, such as pay, are in a different league. We are doing the least that we can in recognising that we have a duty to help, on a non-party basis, those who have gone before and who need us. It is right that we do that willingly and consensually and give the trustees the encouragement of knowing that the House is behind them.

Question put and agreed to.

Resolved,

That, pursuant to section 4(4) of the House of Commons Members' Fund Act 1948 and section 1(4) of the House of Commons Members' Fund Act 1957, in the year commencing 1st October 2008 there be appropriated for the purposes of section 4 of the House of Commons Members' Fund Act 1948:

(1) The whole of the sums deducted or set aside in that year under section 1(3) of the House of Commons Members' Fund Act 1939 from the salaries of Members of the House of Commons; and

(2) The whole of the Treasury contribution to the Fund.

DELEGATED LEGISLATION

Madam Deputy Speaker (Sylvia Heal): I propose to put together the Questions on motions 12, 13 and 14.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation).

International Criminal Court

That the draft International Criminal Court (Remand Time) Order 2008, which was laid before this House on 6th October, be approved.

Housing

That the draft Housing and Regeneration Act 2008 (Consequential Provisions) Order 2008, which was laid before this House on 15th October, be approved.

Healthcare And Associated Professions

That the draft Medical Profession (Miscellaneous Amendments) Order 2008, which was laid before this House on 16th October, be approved—*[Ian Lucas.]*

Question agreed to.

Performing Right Society

Motion made, and Question proposed, That this House do now adjourn.—*[Ian Lucas.]*

8.43 pm

Alison Seabeck (Plymouth, Devonport) (Lab): I am grateful for the opportunity to raise in the House an issue that has given cause for concern, especially to small businesses and voluntary organisations in my constituency.

The debate on performing rights licensing is timely in that it follows hard on the heels of the closing date of the music licensing review consultation. Perhaps I should begin by explaining the role of the Performing Right Society. It is primarily to raise money by licensing playing or using music by collecting fees and distributing them through royalties to the musicians responsible for writing and publishing the music that we all enjoy in the UK and worldwide. Given that 90 per cent. of the Performing Right Society's members earn less than £5,000 in royalties a year, most of us would say that obtaining funds from those licences is reasonable. At least nine members of the PRS are based in my constituency, and the wider south-west is blessed with prolific and successful artists and writers.

It is therefore right that the PRS should look after the interests of its members by collecting the royalties they are owed. The creators of music should be protected by a law, which provides that others cannot use the product of their labours for free. Indeed, most of the small businesses that have contacted me have pointedly made it clear that they do not begrudge those people seeking recompense for their valued work.

The PRS can charge for virtually all the songs played on the radio and TV, on CDs and online. There are alternatives, however, and companies such as Fresh Air Studios—which is based in Plymouth—can source music for corporate productions that is exempt from PRS. By law, under the Copyright, Designs and Patents Act 1988, if someone uses music in public, they require permission, unless the music is PRS-exempt.

So, how does the PRS collect the licence fees? It continually contacts businesses across the UK to help them understand the need for a PRS music licence, and more than 100,000 businesses were contacted in 2007. Some 350,000 businesses across the UK currently have PRS licences. However, it is that collection process that has caused businesses to lobby me. In the light of their concerns, I met representatives of the PRS yesterday to discuss the matters raised with me and to listen to their position ahead of today's debate.

Some of the issues that had been drawn to my attention included the methods used to target small business owners who may not even require a licence; the implications of the cost of the licence for small organisations and businesses; the lack of clarity in the process; and the lack of information about alternative sources of music.

Mr. Ian Cawsey (Brigg and Goole) (Lab): I am grateful to my hon. Friend for raising this important matter. I should declare an interest as a member of the world's only parliamentary rock band, MP4, although we do not necessarily put PRS or PPL to very much use. In any case, I welcome the balanced approach that my hon. Friend is taking to the debate and I am sure that she appreciates that the PRS and PPL are an important source of income for many songwriters, composers and performers. As she will know, a small business can get a PRS licence for about £1 a week, which gives it access to some 10 million songs for a year, representing excellent value for money.

Alison Seabeck: I thank my hon. Friend for that contribution. Like many colleagues, I have enjoyed the music of MP4 live, and I know that members of the band write its music in the little spare time that they have. I take his point—and will make it myself later in my speech—but there are concerns, and that is why I wish to raise them tonight.

I have, for example, heard from the Association of Charity Shops, which told me that the cost of music usage is of increasing concern to charities and voluntary and community groups throughout the UK. It quoted its sports club members who said:

"The average cost of a Performing Right Society Licence for a sports club is £369"—

about £1 a day—

"However many sports clubs use music only incidentally, with audio-visual equipment being primarily available for training videos or to watch sports events."

One club treasurer could not understand why he had

"received numerous very aggressive phone calls and a letter from PRS threatening enforcement within 14 days"

if he did not purchase a licence. It was felt that the intention of the legislation was to exempt not-for-profit clubs and that the PRS was exploiting some bad drafting. The club had removed all the offending equipment rather than pay for a licence.

Many charity shops use music to support an attractive retail environment, in the same way as any retail concern, except of course they divert all their profits to charitable purposes. According to the charity shops, the current Government consultation on music licensing threatens to add substantial costs to their outgoings. That money could only come from funds earmarked for vital causes. Surely that is not a desirable outcome.

My interest in this issue resulted from a conversation I had with the chairman of my local Federation of Small Businesses, Richard Thomas, who wanted to raise the concerns of his members because guest houses, other small businesses, and even a one-man band playing music in his own garage in Plymouth, had received telephone calls and demands for money. Some said that they had been frightened into paying by what they felt were bullying tactics, because they were told that if they did not have a licence they could face legal action for copyright infringement, and possibly become liable to pay damages and costs. Most felt that the hassle and potential cost of pursuing that would be prohibitive, so they paid up.

I have been inundated with correspondence and e-mails from individuals, businesses and organisations expressing similar concerns. One came from a gentleman named Mr. Robson, who is 75. He said:

"The business used to be bigger, but I've retired now really. It's more or less just a hobby."

He used to go to his office on his own once a week, if the weather was not good enough to allow him to go out into the garden. Unfortunately, Mr. Robson happened to be listening to Classic FM when he received a cold

call from the PRS. He said that he gets a bit lonely in his office when he is by himself, so he puts the radio on. Sadly, he was unable to convince the PRS of his situation.

Mr. Robson said:

"The lady...didn't seem to want to listen to me. She said she could hear the radio on in the background".

Two weeks later, the same woman rang again. Afterwards, Mr. Robson received a follow-up-letter. He said:

"I don't know why they're picking on a poor old guy like me."

None of the other offices in the area in which he works received similar letters or contact.

Mr. Robson wrote back explaining the situation and thought he might receive an apology, but sadly all he got was a duplicate of the first letter. He said that

"two more have arrived since. I just bin them now."

Eventually, a PRS spokesperson confirmed that Mr. Robson did not need a licence. To its credit, the PRS called him to apologise.

We then had a problem with Plymouth hospital radio, which provides an excellent service. It has contacted me with wider concerns, because with a turnover of less than £20,000, fees of almost £450 to PPL and nearly £200 to PRS are already quite significant. However, its concern involves the possibility of an increase in costs following the outcome of the consultation process. It understands the need to pay for music, but is worried that the consultation could have an adverse effect on it. It also feels that there is an awful lot of confusion and uncertainty among its friends and people in the voluntary sector.

Plymouth hospital radio is staffed entirely by unpaid volunteers who collectively give up thousands of hours each year to deliver charitable aims. They stand out in cold weather collecting money, and the last time they did that they managed to collect £500. Those people have genuine concerns about how much will be levied and where they fit into the tariff system.

On the issue of whether the PRS and PPL should be treated differently, Plymouth hospital radio tells me that

"it is difficult to see a basis for this and we respectfully ask that when the legislation is redrafted"—

if it is—

"it includes a provision for a total exemption for hospital radio station charities from having to pay fees to either of these organisations."

I hope that my right hon. Friend the Minister will listen to that concern.

Mr. Cawsey: I declare a second interest as a former president of Scunthorpe hospital radio, a broadcasting organisation. I support my hon. Friend's idea that hospital radio should be exempt, full stop. Does she have an opinion on whether a lot of the confusion over what the PRS and PPL do could be eased if they were amalgamated? There would be much more clarity about what people were licensed for and where the money was going.

Alison Seabeck: My hon. Friend has a wide range of experience and talent. I did not know that he had been involved in hospital radio as well. Yes, there is a logic to what he suggests and the gist of what I am saying is that we need some clarity. There are too many grey areas, and I am sure that my right hon. Friend the Minister is listening to that point. Indeed, before my hon. Friend intervened, I was about to say that there are too many grey areas in the process, and a lack of transparency and clarity—exactly the point he made.

We also have an issue about the meaning of "public place". Although the legislation does not define what "in public" means, anything other than a basic domestic situation seems to be deemed "in public". Therefore, playing a radio in a workplace is deemed to be "in public" and requires a licence.

I have been given quite a lot of anecdotal evidence. For example, I chatted with a person at a dog kennels who played music to his dogs. He was the only person there, but occasionally the dog owners turned up, and when they did the playing of music was deemed to be "in public". Another example is the blacksmith who played music to himself while working in his forge. Because his forge was open to the public and people could walk past, he was technically playing that music in public.

The definition of "in public" therefore needs some basis in legislation. The Minister's response to me on 2 November 2008 confirmed that there is no such definition, so perhaps he can give me some hope and the people who have contacted me a clear way forward this evening. The grey areas are also a problem for the PRS, which has made it clear to me that it would like a system that ensures fairness for its members, while being proportionate for business. I would like to emphasise the word "proportionate", because in my view that is the key. Small businesses are not convinced that either the complex charging regime or the way that the PRS pursues people to find out whether they need to pay a licence is proportionate.

The process of establishing whether a person requires a licence involves writing up to three letters to a business, yet those letters cause deep unhappiness, too. Let me give some quotations from the Federation of Small Businesses. One person said:

"I was approached in a threatening manner that if we didn't pay up prosecution would soon follow. We paid up and continued to be targeted even though we already had a licence.

When we telephoned and complained, giving full details of our current licence, we were told that they couldn't find any record of our payment and we would have to pay again. After a bit of heavy handed perseverance I was able to resolve that we were licensed and that the records would be amended. This was done very grudgingly and without any form of apology for what was their mistake."

Another person said:

"We have been getting a run of letters for no reason, with each one of a more threatening tone—'Are you still breaking the law?', etc. I think they should be encouraged to educate, not threaten".

Another person said:

"I have had cause to get very cross with the performing rights licence people, they went through a period of months where they were on the telephone almost every day, threatening to send...inspectors to see if we were playing music in our café without a licence. We told them time and time again that although we were a café we did not play music—it took getting really nasty with them before they finally left us alone".

In all fairness, the PRS was concerned when I described some of the cases in which people felt that the letters and phone calls that they had received were too aggressive and said that it had already acted to soften the language in some of its letters. That is good news. The PRS has also undertaken an independent review of its calls and

[Alison Seabeck]

call centres, to ensure that calls are being handled courteously and accurately. In addition, the Federation of Small Businesses has been invited to visit the call centre to see the process for itself.

I have also heard anecdotal evidence of inspectors knocking on doors asking for money. The PRS has confirmed to me that that is not a practice that it engages in. For anyone listening to this debate or reading it, I would like to highlight my concern that there could be a scam going on. If anyone has somebody turn up on their doorstep claiming to be a PRS inspector, but not having made an appointment, that person is probably not a PRS inspector and they should either inform the police or contact the PRS directly for clarification.

There are wider concerns about how the PRS inspects and what its role is. It is not a Government agency, so what are its powers to gain entry to properties? I am advised that the PRS is able to enter already licensed premises, but would usually do so only with an appointment.

As I have said, the fee structure is complicated and most people have no idea how it works. There is a range of more than 40 licence tariffs and fees, which are calculated based on the size of the business and other factors, including how many people listen to the radio. However, when I selected a category on the website, it was almost impossible to work out what the cost would be. Again, the PRS assures me that it is already looking into the problem, particularly in some sectors where the existing charging system has been questioned, to see whether improvements can be made.

However, we need clarity in other areas, too. What happens, for example, if an employee in a company decides to bring in their radio to listen to? Is the employer liable? Do they need a licence? What happens if an employee plugs an MP3 player or an iPod into some speakers and everybody hears the music? Who has responsibility in those circumstances?

Guest house owners are also confused by the system. If music is being played in a room for the personal enjoyment of a guest, is it being played in public? Guest house owners in Plymouth have real worries about the licensing system. One is Steve Scaife, who has received threatening letters and says that the PRS had the bailiffs sent round, although there has been no court case. He says:

"This year I caved in and paid it, but nobody knows if guest houses should be paying it or not".

Clarification on that point would be useful.

The current consultation on music licensing offers an excellent opportunity to strike a healthy balance between the needs of the music copyright holders and the music users in the voluntary and community sector, but the feedback that I am getting suggests that the present options do not meet everyone's needs. I hope that my right hon. Friend the Minister will bear in mind the comments made in submissions to this consultation when drawing up the Government's position. He will also understand that, with the expanding use of music in a digital and online age, the PRS has a difficult task trying to ensure that those responsible for the writing and publishing of music are fairly rewarded for their efforts. Keeping track of music usage on the internet and in other media cannot be easy.

I know that my right hon. Friend will take note of the concerns that I have raised today—and of the willingness of the PRS, as expressed to me, to address the criticisms of its operation—and that he will do what he can to facilitate the process of improvement. Importantly, will he please ensure that Government do nothing to complicate the process further, thereby avoiding placing additional burdens and costs on small business and voluntary organisations?

9.1 pm

The Minister of State, Department for Innovation, Universities and Skills (Mr. David Lammy): I congratulate my hon. Friend the Member for Plymouth, Devonport (Alison Seabeck) on securing the debate and on the forensic, reasoned and able way in which she discussed the issues. I found that incredibly helpful. This is, indeed, an opportune moment for us to reflect on the activities of the copyright licensing bodies, and in particular of the Performing Right Society, given that a number of complaints have been received by the Intellectual Property Office and by my Department.

First, I hope that the whole House will join me in recognising the success of the members of the Performing Right Society. The society represents the songwriters, composers and publishers who make such a large contribution to the economic and cultural wealth of the UK. Of course, we are not just talking about the Beatles' back catalogue; we are talking about the creative work that young British people—many of them from the least advantaged parts of our society—are doing today. Two million people are employed in creative jobs, and the sectors contribute £60 billion a year to the UK economy. That is 7.3 per cent. of our gross domestic product. Over the past decade, our creative sector has grown at twice the rate of the economy as a whole, and it is well placed for continued growth as demand for content grows around the world.

Intellectual property remains the lifeblood of the UK's creative industries, and those industries are even more valuable to the UK economy in tough times than in easier ones. In the music industry, the value arises from copyright. Copyright is important because it provides the legal framework to sustain and protect creative value.

Let me now say a little more about the Performing Right Society—the PRS. It is a not-for-profit membership organisation representing 60,000 songwriters, composers and music publishers. PRS members have a right to request remuneration whenever their work is broadcast on radio or TV or in public. That right is protected under international, European Union and national legislation. My hon. Friend was right to say that the PRS is responsible for collecting the payments due to its members for the use of their music. In that sense, it is entitled to collect licence fees when music is broadcast in public, but of course, the value of music is not just about the revenue that it can bring. The value also lies in the music being heard and being accessible to the public.

What do we want our copyright system to deliver? We want it to maximise the availability of creative works to the public. We want to ensure that creative endeavour is rewarded, and that users can enjoy what has been created, on fair and reasonable terms. Here in the UK, we have one of the world's more liberal systems governing our licensing arrangements.

Let us look, for example, at the process of setting the tariff, which is the cost of the licence to the end user. Our system expects the PRS to negotiate tariffs and other terms and conditions with relevant representative bodies. Usually, that would be a trade association or similar body. Our system expects those players to agree a market rate for a licence, which is settled through negotiation. If negotiations break down, the user can refer the scheme to the copyright tribunal. In other jurisdictions, they do things differently. In some, the licence terms and conditions are set by the administration; in others, the licence terms are set by an independent tribunal; and some licensing bodies are under constant administrative supervision.

The questions we must ask ourselves are, first, whether our system is working and, secondly, whether it is seen as fair and reasonable. My hon. Friend is right to suggest that we also need to ask about the very nature of the word "public", particularly in the context where small businesses are facing harder economic times and the PRS has acknowledged that it is moving deeper into the types of businesses that it responds to. We are talking about very small cafés, very small neighbourhood hairdressers or the local chip shop, for example. My hon. Friend also raised issues about the hospital radio station and the local community centre. If the system is to work properly, it must gain the confidence of the public.

Mr. Cawsey: I welcome the Minister's balanced approach. I entirely agree that things need to be balanced, but economic downturns and recessions also hit performers, songwriters and composers, so while it is important to ensure that unfair burdens are not placed on businesses or the voluntary sector, it is also important to ensure that the people who actually work in the creative industries in the first place receive a fair remuneration for the work that they do. I am sure that the Minister will agree.

Mr. Lammy: Speaking as a former cathedral chorister who still gets the odd royalty, I agree absolutely. There is real talent at the Dispatch Box, but the key question is balance and securing a system that commands the respect of the public. Clearly, some issues have gone awry over the recent period, so I have reflected on these issues and found scope for improvement in two areas.

First, we need to ensure that people understand the law, the PRS and what it is doing. Many small businesses are unaware that they need a licence and our inquiries suggest that not all large trade associations are fully aware of how the system works, as my hon. Friend the Member for Plymouth, Devonport showed. They do not always know that they can play a role in negotiating the terms and conditions of a licensing scheme, and some large associations are unaware that they can take a case to the copyright tribunal if they are unhappy with the terms and conditions.

We need to make sure that information is reaching the right people and organisations. We need them to know about the role of the PRS; we need to make sure that trade associations representing small businesses know about the system; and we need to ensure the rights of the PRS. Customers need to know what the PRS can and cannot do and they need to know their own rights as users and that avenues for redress are available for them in the copyright tribunal.

Secondly, we need to make sure that users have access to effective mechanisms for complaint and for judicial redress. As far as judicial redress is concerned, users, and particularly trade associations, need to know about the copyright tribunal, and they need to know that it has a function for them as a specialised court where they can seek adjudication on tariff schemes. The Select Committee suggested in March this year that the tribunal process had gained a reputation in some areas for being expensive and time consuming. I am pleased to announce that the Intellectual Property Office is implementing a series of reforms to change the position. However, we also need to ensure that we engage in the jurisdiction of that tribunal. Apart from the judicial process, I am anxious that individual users should have access to an effective complaints procedure.

Alison Seabeck: I welcome the direction in which the Minister seems to be moving. One of the key issues raised was the number of people who were paying up because they were not sure how much it would cost them to appeal or go to a tribunal.

Mr. Lammy: I am grateful for what my hon. Friend has said. I have met representatives of the PRS, and agreed with them that there will be a code of practice to deal with complaints from individual users. The PRS will consult publicly on the code by the end of the year. That is a start, but I believe that more needs to be done. I am well aware that there must be an independent body to review complaints in a system of this kind. It cannot be right, in 2008, for there to be only an internal adjudication process within a single body, and I hope that I have been able to demonstrate to my hon. Friend that, in that respect, action is in hand.

As the new intellectual property Minister, I am encountering many new and interesting challenges, one of which is the need to ensure that intellectual property rights are properly understood and valued by those who live by and from the system. I have heard much in the debate, from my hon. Friend and others, that gives food for thought. I want it to be understood that I do not take these issues lightly, and will reflect seriously on the points that have been made. I consider it important—indeed, essential—to the protection of intellectual property for licensing schemes to command the respect of the entire community, and for no process to undermine the effort that our musicians make because it is seen to be harsh or unfair.

I have asked the PRS to reflect on the breadth, as it were, of those whom it approaches in seeking licences. Clearly it is not great if someone understands the process for the first time only because a significant amount is being sought from them. There are issues of public education, but beyond that there are issues of proper judicial process. I shall explore those issues further over the weeks and months ahead.

Question put and agreed to.

Adjourned accordingly at thirteen minutes past Nine o'clock.

Deferred Division

DANGEROUS DRUGS

That the draft Misuse of Drugs Act 1971 (Amendment) Order 2008, which was laid before this House on 13th October, be approved.

The House divided: Ayes 430, Noes 54.

Division No. 315]

AYES

Afriyie, Adam
Ainger, Nick
Ainsworth, Mr. Peter
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amess, Mr. David
Ancram, rh Mr. Michael
Anderson, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Baldry, Tony
Balls, rh Ed
Banks, Gordon
Barker, Gregory
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Burt, Alistair
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Cameron, rh Mr. David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Greg
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, rh Yvette
Corbyn, Jeremy
Cormack, Sir Patrick
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Dorries, Mrs. Nadine
Dowd, Jim
Drew, Mr. David
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Engel, Natascha
Ennis, Jeff
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farrelly, Paul
Field, Mr. Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Francois, Mr. Mark
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gibson, Dr. Ian
Gillan, Mrs. Cheryl
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Gummer, rh Mr. John
Gwynne, Andrew
Hague, rh Mr. William
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Heald, Mr. Oliver
Healey, rh John
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendry, Charles
Hepburn, Mr. Stephen
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hoban, Mr. Mark
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, rh Mr. George
Howell, John
Howells, Dr. Kim
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Hutton, rh Mr. John
Ilsley, Mr. Eric
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kumar, Dr. Ashok
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Mr. Ivan
Liddell-Grainger, Mr. Ian
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Maclean, rh David
MacShane, rh Mr. Denis
Mactaggart, Fiona
Main, Anne
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim

McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Mercer, Patrick
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Moss, Mr. Malcolm
Mundell, David
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, Mr. Mike
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prisk, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, John
Robinson, Mr. Geoffrey
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr. Graham
Swayne, Mr. Desmond
Syms, Mr. Robert
Tami, Mark
Tapsell, Sir Peter
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Vaz, rh Keith
Viggers, Sir Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Walter, Mr. Robert
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Wicks, rh Malcolm
Wiggin, Bill
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Wills, rh Mr. Michael
Wilshire, Mr. David
Wilson, Phil
Wilson, Mr. Rob
Wilson, Sammy
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Young, rh Sir George

NOES

Alexander, Danny
Barrett, John
Beith, rh Sir Alan
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Clegg, rh Mr. Nick
Cohen, Harry
Crabb, Mr. Stephen
Farron, Tim
Flynn, Paul
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hammond, Mr. Philip
Hancock, Mr. Mike
Harris, Dr. Evan
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jones, Lynne
Keetch, Mr. Paul
Kramer, Susan
Laws, Mr. David
Leech, Mr. John
McDonnell, John
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Reid, Mr. Alan
Rennie, Willie
Rowen, Paul
Sanders, Mr. Adrian
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Matthew
Thurso, John
Webb, Steve
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny

Question accordingly agreed to.

House of Commons

Thursday 13 November 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON LOCAL AUTHORITIES (SHOPPING BAGS BILL) (*BY ORDER*)

LEEDS CITY COUNCIL BILL (*BY ORDER*)

NOTTINGHAM CITY COUNCIL BILL (*BY ORDER*)

READING BOROUGH COUNCIL BILL (*BY ORDER*)

Orders for Second Reading read.
To be read a Second time on Thursday 20 November.

Oral Answers to Questions

ENERGY AND CLIMATE CHANGE

The Secretary of State was asked—

Electricity Generation

1. **Mr. Mark Harper** (Forest of Dean) (Con): What assessment he has made of the effect of the current economic climate on investment in new electricity generation plants. [235267]

The Secretary of State for Energy and Climate Change (Edward Miliband): No sector is immune from the current economic climate and credit crunch. Along with the regulator Ofgem, we are closely monitoring the effects on the energy sector, including on investment plans. However, there is 11.5 GW of new plant currently under construction or consented and a further 12 GW in the consent process. That is a sign of the willingness of investors to make plans for new generation.

Mr. Harper: I thank the Secretary of State for that answer, but I also want to ask about a specific electricity generation plant, the Severn barrage. By my reading of article 5.2 of the EU renewables directive, the Government are not going to hit their renewables target without constructing the barrage. That would make nonsense of the studies that are under way and the great concern that there is locally. Will the Secretary of State confirm that the Government can hit their EU renewables target without having to build the Severn barrage?

Edward Miliband: Yes, I can confirm that. The Severn barrage is one of a number of options that we will be considering in relation to our renewables target. However, I would point out to the hon. Gentleman that we have made progress on renewables, admittedly from a low base, in the past few years. We want to make further progress, which is why, for example, we are banding renewable obligation certificates in legislation that is before the House, why I have made announcements on feed-in tariffs, and why the Planning Bill is intended to speed up the siting of new renewables facilities. I acknowledge that we need to make a lot more progress on a number of fronts on renewables. The Severn barrage is one option for doing so.

Colin Challen (Morley and Rothwell) (Lab): May I take this opportunity—my first—to congratulate my right hon. Friend on his appointment? Does he agree that a period of economic downturn is a good time to look again at the skills that we need, and the investment that we need to put into them, to help to recreate our energy generation sector? Will he have discussions with the Secretary of State for Innovation, Universities and Skills to pursue that agenda?

Edward Miliband: My hon. Friend makes an important point, and I should like to join the mutual admiration society and pay tribute to the work that he has done on climate change and energy over a number of years. He is right to say that, as we think about the current downturn, some people will say to us, "It's time to abandon your climate change objectives." However, the green jobs agenda and moving to a low-carbon economy give us an opportunity to prepare for the upturn and to find new ways of employing people. He is also right to say that the skills agenda is an important part of that, and I will have discussions with the Secretary of State for Innovation, Universities and Skills on the matter.

Mr. Philip Hollobone (Kettering) (Con): There may be 11 GW of replacement plant on its way, but it is not here yet, and there could be problems if there are unscheduled outages in major power plants, problems with the gas interconnector with Europe and a cold winter. What priority is the Secretary of State attaching to ensuring that there is not a major blackout in this country this winter?

Edward Miliband: Clearly, the hon. Gentleman makes an important point. The answer is that that is my top priority. The Minister of State and I monitor the situation on a weekly basis. We talk to the National Grid Company and Ofgem about all such issues. The National Grid Company is reassuring me about the prospects for this winter at the moment, but I am not complacent. We keep a very close eye on the situation.

Albert Owen (Ynys Môn) (Lab): Does the Secretary of State agree that, to help business through this difficult period and, indeed, in the short and medium term, we need to increase electricity capacity, thereby reducing prices? That would particularly help energy-intensive industries. Does he further agree that one way to do that is to extend the current life of safe nuclear plants while we are waiting for new build to come on stream? Will he agree to meet the Nuclear Decommissioning Authority and me so that we can make progress on a matter that has been ongoing in my constituency for some time?

Edward Miliband: Our team will definitely undertake to meet my hon. Friend, and I will definitely consider his suggestion. It was right to end the moratorium on new nuclear power stations, but the priority on nuclear is to work out how we can get new nuclear facilities built. The situation will be helped by the EDF takeover of British Energy. EDF wants to build four new nuclear power stations, which I think is right for our country. Lots of people have changed their opinion of nuclear power on the basis of the climate change challenge that we face. I think that we have got the right policy on nuclear, but I will endeavour also to look at the issue that my hon. Friend has raised.

Charles Hendry (Wealden) (Con): Yesterday morning, the Minister of State told the "Today" programme that, far from facing energy shortages in 2015, 37 per cent. more power would be generated in comparison with today. Will the Secretary of State confirm that the National Grid Company seven-year statement takes no account of whether projects will get planning consent or even whether they will get the funding to build them? Will he also confirm that it does not take account of the extent to which generating capacity will be lost? Almost 15 GW of capacity is likely to be lost, as more of our capacity in nuclear, oil and coal closes down, so will the Secretary of State take the opportunity to set the record straight and admit that the outlook is much tighter than the Minister suggested?

Edward Miliband: My hon. and learned Friend the Minister of State was absolutely right in the figures that he provided, which come from the National Grid Company. As I said in my answer, there are issues about the next decade, but the prospect for new build happening is a good one. The difficult question for all of us is how to ensure that the supply of new build is diverse and not simply more gas-fired power stations. We want a diversity of supply and we want low-carbon options.

Greg Clark (Tunbridge Wells) (Con): Coal.

Edward Miliband: The hon. Gentleman shouts "Coal" from a sedentary position, but unlike Conservative Members, we have not set our face in principle against new coal-fired power stations, which is to prejudge the issue. The challenge is to get the capacity we need—I am convinced that we can—while also having a diverse range of energy sources.

Carbon Dioxide Emissions

2. **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): What recent assessment he has made of the progress towards achieving the Government's target for carbon dioxide emissions reduction by 2050. [235268]

The Secretary of State for Energy and Climate Change (Edward Miliband): Between 1990 and 2006, the UK cut by 16 per cent. its own emissions of dangerous greenhouse gases, including carbon dioxide; and if action taken under the EU emissions trading scheme is included, emissions were cut by 20 per cent. That makes Britain one of the few countries in the world that is on course to exceed its Kyoto targets; and we are the first in the world to legislate for a 2050 target, which, following my announcement last month, is now set at 80 per cent.

Linda Gilroy: I welcome that progress, but my right hon. Friend will know that many of my constituents are particularly interested in climate change. Does he understand their concern that the Government are not yet moving fast enough on issues such as getting the balance right between air, road and rail travel? Does he acknowledge that they also worry about credits, which may be a way of buying our way out of things rather reducing our own emissions?

Edward Miliband: My hon. Friend is absolutely right that we need a balanced approach and that we need proper domestic effort to deal with these issues. What I would say to her and others listening to our debate on the question of buying in credits from abroad is that we need to show that we—the whole world—are in this together. If we can find ways of providing finance to developing countries to enable them to move towards a low-carbon economy, I believe that that is all to the good. There need to be limits, but we argue in favour of that in the EU and we also have recommendations from the Energy and Climate Change Committee to consider. My hon. Friend is right in what she says, but I believe that credits have a role to play as well.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): During the debate on the Climate Change Bill, the Secretary of State made much of the fact that the targets that he has set will be legally binding. Will he confirm that that does not mean that Ministers or officials will be held to account or punished if they fail to meet those targets and that its only implication is that those targets are judicially reviewable? Does he accept that if a court believes that he is failing to achieve those targets, it could insist, without being democratically accountable to the public, that we spend more and take more measures to meet the targets—all £200 billion of them—than the Government are currently committed to?

Edward Miliband: I know from our debates that—

Mr. Lilley: Answer the question.

Edward Miliband: I will. I know from our discussions that the right hon. Gentleman is a sceptic about some of our climate change targets. It is of course the case that the targets in the Bill will be judicially reviewable. It is also the case that there are limits to the actions that can be taken against Governments. However, the important point is that when the House set out its general cross-party consensus on long-term targets, it was a way of binding the hands of Ministers in this Government and Ministers in future Governments. No Parliament can completely bind the hands of the next Parliament, but this was an important innovation because it set out so clearly—in a cross-party consensus—the objectives that Ministers needed to follow to meet the targets.

Mr. Mark Todd (South Derbyshire) (Lab): One means of meeting our targets is to change the balance of our energy generation. A new biomass power station is already planned at Drakelow in my constituency, but are there opportunities to encourage the site owners to explore other biomass options at other locations along power valley—the Trent valley which South Derbyshire straddles?

Edward Miliband: My hon. Friend has made a good point. Biomass can play an important role in meeting some of our future energy needs, particularly in terms of heating. We have tabled amendments to the Energy Bill to encourage the generation of renewable heat, but I think we can go a great deal further to meet our climate change targets in that regard.

Jo Swinson (East Dunbartonshire) (LD): It is to the Secretary of State's credit that he listened to the experts, scientists and thousands of campaigners across the country who called for the target of an 80 per cent. reduction in emissions by 2050, but does he agree that if that target is to be met, the current target of a 26 per cent. reduction by 2020 will need to be revised significantly upwards? If so, when does he intend to announce the new target?

Edward Miliband: I thought that the hon. Lady was going to add that I had listened to the advice of the Liberal Democrats, but, in a very non-partisan way, she resisted the temptation, on which I congratulate her. She is right to suggest that we need to look again at our 2020 targets.

Lord Turner will make recommendations on 1 December for carbon budgets for the next 15 years, which will include 2020. It is also important for us to stick to the agreement reached by the Heads of Government in 2007 that we will aim for a 20 per cent. overall European Union reduction in greenhouse gas emissions, and a 30 per cent. reduction contingent on agreement at Copenhagen. That is something for which we have argued. We will take a view on the new 2020 targets following Lord Turner's advice.

Lynne Jones (Birmingham, Selly Oak) (Lab): When my right hon. Friend made his first statement to the House as Secretary of State, he told me that calculating the direction of travel for public spending would be an important part of meeting our climate change targets. He said that he would go away and do some homework. Will he now tell us what assessment he has made of whether we are on track to meet the Stern recommendations?

Edward Miliband: I am tempted to say, "The dog ate my homework", but I think the best thing for me to tell my hon. Friend is that I am working on it. Now that she has asked me the question a second time, I shall make sure that I demonstrate further progress next time she asks it.

Gregory Barker (Bexhill and Battle) (Con): There was broad support for the adoption of the even more stretching 2050 and 2020 targets, but what policy does the Secretary of State believe does more to undermine their credibility—building a third runway at Heathrow, or the Government's commitment to building a new generation of dirty coal-fired power stations without carbon capture and storage from the outset?

Edward Miliband: The hon. Gentleman is on the fringe wing of the Tory Front Bench—he is its outrider—when it comes to these issues, about which he knows a great deal. Let me deal directly with the two questions that he has asked, because they are important. The two main points about aviation are that reducing its carbon emissions must be, and is, part of our overall climate change objectives, and that we must put a price on those carbon emissions, and are doing so under the European Union emissions trading scheme. The decision on the third runway is a matter for my right hon. Friend the Secretary of State for Transport, but whatever decision is made, there will be a carbon price for aviation. That is the most important point.

As for what the hon. Gentleman describes as "dirty" coal-fired power stations, Conservative Front Benchers have made a decision on those: whatever the needs of security of supply and whatever the demands for the next decade—about which the hon. Gentleman asked—there must be no more new coal-fired power stations. I take the more balanced view that we need to examine the case relating to security of supply and, as quickly as possible, establish how we can also meet our need to reduce carbon emissions. That is the work that we are undertaking. We will respond to the carbon capture and readiness consultation that we initiated, and then we will answer those questions.

Energy Market

3. **Judy Mallaber** (Amber Valley) (Lab): What recent discussions his Department has had with energy companies on the energy market; and if he will make a statement. [235269]

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): We met the chief executives of the big six energy suppliers three weeks ago, and emphasised to them that, just as oil prices have fallen and petrol prices have therefore begun to fall as well, wholesale gas prices have come down. We want the companies to respond to business and consumer concerns about the fact that gas and electricity prices remain so high.

Judy Mallaber: As my hon. and learned Friend points out, oil prices have halved. Following those discussions, does he have an indication as to when the utilities will take action to cut bills so that households no longer suffer and businesses are able to have sustainable power contracts? Have they given any indication that they are prepared to take action on the Ofgem findings on the scandal of rip-off bills for those on prepaid meters and of those who are not connected to the gas mains? Why are they so quick to put prices up—

Mr. Speaker: Order. The hon. Lady is doing well and she should stop there.

Mr. O'Brien: On prepayment meters, Ofgem has given the companies until December to respond to that point and we have indicated that if the companies fail to respond adequately, we are prepared to legislate. On gas prices, the gas companies say that they buy their gas sometimes up to about six months ahead on the advance markets and, therefore, it takes time for the gas price reductions—the last time I looked they had fallen by about 22 per cent.—to come through into gas bills. I am pleased to say that this morning's newspapers reveal that Scottish and Southern has indicated, as we asked the companies to do, that it is looking at lowering its prices as soon as it can. I now look to the other energy suppliers to give indications that they will be bringing down their prices to a more reasonable level.

Peter Luff (Mid-Worcestershire) (Con): I was grateful to the Secretary of State for the opportunity to discuss with him my Committee's report on fuel prices that was published in July, which proved that increased prices were the fault not of the companies but of the market. We are addressing market failure. Since we published that report, there has been a significant deterioration in market conditions. BizzEnergy, an electricity supplier in my constituency, has gone bust, with 160 jobs lost. The Government are allowing British Energy to be bought by EDF. Transparency and liquidity are being reduced in the electricity market. There will be one consequence—higher prices for consumers. Does the Minister agree?

Mr. O'Brien: To ensure that we get long-term affordable electricity, gas and energy supplies, we need to make sure that there is diversity of supply. The hon. Gentleman rightly says that there are issues in relation to the market, which is why we asked Ofgem to look at it. It has reported and made a number of recommendations, which it has said must be put in place. We are waiting for the outcome of that consultation now. The hon. Gentleman is right to say that there are issues in relation to the market, but they are being addressed.

On British Energy, the Government have looked at the proposal, which would bring £12.5 billion of investment into the UK. Do the Conservatives think that is a bad thing? We think that it will help to provide security of energy supply for the long term. I am sorry if the Conservatives take a different view.

Mr. Lindsay Hoyle (Chorley) (Lab): When my hon. and learned Friend met Dick Turpin and the rip-off bill merchants, I hope he said to them that it was not on and that the time had come for a windfall tax. Did he also ask them why they failed to invest in storage capacity, as a result of which gas prices are being kept artificially high?

Mr. O'Brien: There has been some investment in storage capacity and we have been anxious to make sure that that is brought on. We have given strong indications to the gas and electricity suppliers that—particularly in the current economic climate, with families concerned about the bills and where the economy is at the moment as the result of the global problems in the financial markets—they have a responsibility to bring down energy prices as soon as they reasonably can. We gave that clear message to the chief executives. We will not be satisfied if we think that there is any delay in doing that. We are looking to Ofgem, the regulator, to do its job.

Steve Webb (Northavon) (LD): Will the Minister accept that the energy market is a mess when it comes to social tariffs? Of the big six energy companies, one provides most of the social tariffs, and it has now stopped; it will not let new customers go on to social tariffs. Some of the others do not do any at all. Is that the right way for vulnerable customers to be treated? Is it not a risky strategy to rely on the goodness of heart of the energy companies?

Mr. O'Brien: We have had an assurance from the energy companies that they will put a further £225 million into social tariffs. The way in which the energy companies were privatised means that they all have to compete. Ofgem has taken the view that they also compete on social tariffs. There is an argument for greater standardisation of social tariffs, and I have some sympathy with it, but the companies take a view, as, indeed, Ofgem does, that there is a market and this is one of the areas where they need to compete. Some 600,000 people are able to access these lower social tariffs, and I want to put more people on them so that they pay lower prices. That is why the Pensions Bill contains a provision to allow data sharing by the Department for Work and Pensions to enable the energy companies to know which people are on pension credit—in due course we would want to extend that further—so that they can be put on a social tariff, as I hope would happen.

Mr. Brian Jenkins (Tamworth) (Lab): My hon. and learned Friend gives us assurances that the companies say this and say that, but does their track record not bear investigation? A company's role is to maximise its profits at any cost, and we knew that when we introduced the regulator. It has watched the industry for a few years, but when are the Government going to buy it some new teeth?

Mr. O'Brien: My hon. Friend is right to say that we must always examine the track record of the companies. There is public concern that they have been quick to indicate that prices will rise and slow to indicate when prices will fall, which is why I have welcomed the statement by Scottish and Southern Energy in response to our meeting with it and with the other chief executives. I look to those other energy companies to follow its example and start to say when some prices will come down. Parliament has said that it wants an independent regulator, which Ofgem is, so Ministers cannot keep telling the regulator what it has to do, because it is supposed to be independent. None the less, we have had meetings with Ofgem and we have indicated that we want it to be robust in ensuring that it protects the interests of the market and of competition.

Greg Clark (Tunbridge Wells) (Con): Why do gas and electricity cost more in Britain than on the continent?

Mr. O'Brien: All the way through the early part of this decade, we have had much lower gas prices than most of the continent, because the market was able to operate very effectively to ensure that prices fell. Europe operates using a different system. It operates long-term and often not very transparent deals, particularly in the business sector. Deals that can last for some years are signed, holding down some of those prices. When our market falls and we get the benefits, Europe does not. When the market starts to rise and our prices rise, it takes some time before Europe renegotiates some of its long-term contracts. We are pressing, with the EU Commission, to get more transparency into some of those deals and to get a more effective market operating in Europe. We want to ensure that we all get the benefit of a more successful and competitive market, because we all want to pay the lowest price that we reasonably can.

Greg Clark: Mr. Speaker, did you know that the Minister's new Department has 900 policy advisers? Do you think that he might have done better with that, given that level of advice? One of the reasons why British customers suffer price spikes is that, due to the

absence of a serious energy policy over the past 10 years, we have only 14 days worth of gas storage compared with 99 days worth in Germany and 122 days worth in France. A further reason is the structure of the market. Four weeks ago—not three, as the Minister said—the Secretary of State stood at that Dispatch Box and said that he had given the big six energy companies four weeks to take urgent action or else he would do so. A month later, there has been no change and no action—he has fallen at the first fence. Will the Minister act to stop prepayment meters being used to make the poor subsidise the well-off?

Mr. O'Brien: Well, the hon. Gentleman knows very well that Ofgem has undertaken a consultation and has said that the energy companies must respond by December. In case he has missed it—I know that he is not that well informed—*[Interruption.]* He starts running down the officials who advise us, but they cannot respond to him; if he wants to start having a go at people, we can all play games like that.

On prepayment meters, the energy companies have been given until December, and Ofgem has said that it wants a response and action. We have said that we are prepared to legislate if the energy companies do not respond on prepayment meters. It certainly is the case that we have ensured that our energy market is able to operate more effectively than those in Europe. In recent years, we have been able to keep our average energy prices lower, and we now need to ensure that we have greater transparency in the broader EU market.

Mr. Russell Brown (Dumfries and Galloway) (Lab): I applaud the work that my hon. and learned Friend is doing on social tariffs, but in rural constituencies such as mine, social tariffs do not matter to many people, as their only form of heating is oil, liquefied petroleum gas or coal—the latter has also risen significantly in price. Will he consider ways to reduce bills for people who rely on those fuels?

Mr. O'Brien: We are already looking at the market for heating oil, which does cause me some concern. We want to ensure that it operates efficiently and effectively. The market for coal is now much more international—and certainly more European—than regional, and that affects the price. Some 90 per cent. of the coal supplied in the UK goes to the power stations, so very small amounts go to domestic use. My hon. Friend is right to say that many people are worried, especially in former mining constituencies such as mine, where people receive and use free coal. Others choose to use coal and therefore have to pay the price, and we want to ensure that they are not overcharged.

Greenhouse Gas Emissions (Road Transport)

4. **Mr. David Chaytor** (Bury, North) (Lab): What his most recent estimate is of the proportion of UK greenhouse gas emissions attributable to the road transport sector. [235278]

The Parliamentary Under-Secretary of State for Energy and Climate Change (Joan Ruddock): In 2006—the latest year for which finalised data are available—road transport accounted for approximately 126 million tonnes of CO_2 equivalent, which is roughly 19 per cent. of total UK greenhouse gas emissions.

Mr. Chaytor: Does my hon. Friend agree that the use of graduated vehicle excise duty is an important measure in reducing emissions from road transport? Does she also agree that exempting the current vehicle fleet from graduated VED—for which the forces of conservatism on both sides of the House have lobbied—would be counter-productive to the Government's climate change strategy? Will she speak to her colleagues in the Treasury about that before the pre-Budget statement in two weeks time?

Joan Ruddock: I am grateful to my hon. Friend for that question. As he knows perfectly well, all decisions on taxation are a matter for the Chancellor, and it will not be long before we hear more on that subject—and others—from him. The principle of linking CO_2 emissions to vehicle taxation is correct, and we began that process in 2001. It is supported by my Department, and we also agree that expanding the range of bands to create greater sensitivity between CO_2 emissions and particular vehicles is the right approach. We—

Mr. Desmond Swayne (New Forest, West) (Con): Oh come on!

Joan Ruddock: Well, it is very important—

Mr. Swayne: I mean hurry up!

Mr. Speaker: Order. As a trade unionist, I do not expect the hon. Gentleman to do another man's job. He is trying to do my job, but in any case, the Minister has done well and we should move on.

Michael Fabricant (Lichfield) (Con): I hope that the Minister gets over her cold soon. While she does so, perhaps she could consider alternative forms of transport. Not every item transported on Britain's roads needs to be delivered quickly. British Waterways is spending a fortune restoring our canals, and the narrow boat system is far more efficient in terms of greenhouse emissions at moving heavy goods from one part of the country to another. I ask her Department to speak to the Department for Transport and to investigate that alternative way to move goods across the nation.

Joan Ruddock: I apologise if I am speaking slowly; I have a very bad infection. I simply wanted to conclude that it is appropriate that people should understand linkages so that they can purchase the appropriate vehicles.

Let me turn to the hon. Gentleman's point about moving goods by water. That subject is always under consideration. I can tell him that the Department for Transport is working on a low-carbon transport strategy. I am quite sure that we will be able to consider the points that he has made, because he is right that there are issues about emissions that can be well dealt with by alternative modes of transport.

Topical Questions

T1. [235287] **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Energy and Climate Change (Edward Miliband): The new Department of Energy and Climate Change is a recognition that energy and climate change should be considered not separately but together. It brings together the Government's work on three challenges that face our country: ensuring that we have energy that is affordable, secure and sustainable; bringing about the transition to a low-carbon Britain; and achieving international agreement on climate change.

Mr. Crabb: I thank the Secretary of State for that reply. On the subject of secure supply, the Secretary of State might be aware that recently three of the new super-tugs that will be required to bring in the large cargoes of liquefied natural gas that we anticipate will start to arrive in the UK in the months ahead had to be rerouted via the Cape because of fear on the part of the company that they would not be adequately protected against Somali pirates in the gulf of Aden. What discussions is the Secretary of State having with his colleague the Secretary of State for Defence about measures that can be taken to protect all energy-related shipping serving the UK to ensure that we have security of supply in the future?

Edward Miliband: International piracy is being considered at EU level, and the hon. Gentleman is right to raise that important question. I think that he is also raising the question of the new terminal at Milford Haven, which we hope will be ready next spring. That is very important for bringing in supplies of gas as it will be able to provide up to 20 per cent. of UK gas supplies.

T4. [235291] **Mr. David Chaytor** (Bury, North) (Lab): In four weeks, the UN climate change conference in Poznan will consider the European Union's climate change and renewable energy package. Will the Secretary of State assure the House that the stringent targets in that package are fully supported by the Government and that there has been no attempt to dilute the targets with which we are presented?

The Parliamentary Under-Secretary of State for Energy and Climate Change (Joan Ruddock): May I take this opportunity to thank my hon. Friend for that point? It is crucial that the 2020 package goes through. The UK Government have been in the forefront of trying to stiffen the resolve of other European members who have taken the position, which I think is wrong, that in this economic downturn that target cannot be pursued. We believe that it is crucial to jobs, to our future and to our climate change agenda that the energy and climate change package is taken forward. This is not the time, in any sense, to resile from that.

T2. [235289] **Mr. Desmond Swayne** (New Forest, West) (Con): In his letter of 7 October, Lord Turner, the chairman of the Committee on Climate Change, said that if there was to be any prospect of our meeting the target on emissions, the decarbonisation of electricity generation had to start now. Today, we have had boasts from those on the Treasury Bench about the great leap forward in generation by 2015, which is almost wholly dependent on fossil fuels. Either Lord Turner is wrong and the Minister is right, or it is the other way around. Which is it?

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): It is not quite as simple as the hon. Gentleman suggests. We need always to ensure that we strike the appropriate balance between getting security and affordability and ensuring that we hit the targets. Lord Turner is right to say that we need to ensure that we hit those targets and start taking the steps now. We have made proposals for nuclear and for building up renewables, particularly wind technology. We are making Britain the leading country—we passed Denmark about a month ago—in terms of offshore wind provision from wind turbines. We are therefore taking the steps necessary to move towards our target. I do not deny that there is a lot more to do, and that is certainly what Lord Turner and his team have told us.

T5. [235292] **Ms Katy Clark** (North Ayrshire and Arran) (Lab): The Minister will be aware of the concerns that have been expressed about the capacity of the national grid, and in particular about the queuing system, which adversely affects small projects such as community wind farms that are trying to get connected. What are the Government doing to address those concerns?

Mr. Mike O'Brien: My hon. Friend is right to say that there are concerns about how those who are bringing forward renewable projects can get access to the grid and the transmission system. We have asked Ofgem to look at the problem: it is coming forward with proposals and we are looking to have a consultation sometime in December. In the immediate term, however, we have made it clear that we want provision to be made for connect and manage, which basically means that new projects can be brought on to the transmission system. Although the system has not been fully upgraded, it can be managed so that we can get some of the new projects on it.

We have also asked Ofgem to look at how the various cases and applications coming forward can be prioritised, and at whether some will actually be delivered. We know that some will not, so we need to prioritise those that are likely to be delivered and make sure that we get them on to the transmission system more quickly and at an earlier date.

T3. [235290] **Miss Anne McIntosh** (Vale of York) (Con): In the Secretary of State's flagship Climate Change Bill, there is a chapter on waste recovery. Will he take this opportunity to say how the Government propose to get rid of the mountains of paper and plastic that have gone to recycling and are being stored by local authorities? I understand that we need energy-from-waste schemes around the country, but at the moment they are not going ahead to a sufficient extent because of concern about incineration. When will the Government take this theme to the country and explain why energy from waste is so necessary at this time?

Joan Ruddock: The Government have already made it absolutely clear that energy from waste systems is part of the waste treatment facilities that this country needs. Private finance credits worth £2 billion are available for the development of more waste infrastructure, and some of the facilities will indeed be energy-from-waste plants. The hon. Lady is right to say that there is a short-term problem with the accumulation of recyclables

because of the economic downturn, but we expect that to be dealt with over time. This is not the time for us to begin to discontinue our recycling effort—we must recycle because that saves new resources being used. She is right that getting energy from waste can be one of the solutions to recycling, but it is not the only one. We still need plants that recycle waste and the new developments in recycling plants, especially for plastics, will help to resolve some of the problems.

Ms Dari Taylor (Stockton, South) (Lab): I would appreciate it if one of the energy and climate change team would state clearly and boldly that biofuels are essential if we are to achieve our emissions targets. Will one of them visit the biofuels companies and farmers in the north-east? I should greatly appreciate that, as sustainable and innovative food and fuel projects are being developed that are receiving millions of pounds in investment.

Edward Miliband: I will definitely volunteer one of my Ministers, or myself, to visit my hon. Friend's constituency. That is something to look forward to, but she raises an important point about biofuels. We are trying to get a provision in the 2020 EU directive for indirect land use in respect of biofuels, to ensure their sustainability. The Government believe that biofuels can play a role in our energy mix, but that we need to be careful that they are produced in a sustainable way. That is the right approach, and it is the basis on which we shall proceed.

T6. [235293] **Mr. Andrew Mackay** (Bracknell) (Con): As the poor Minister of State was unable to do so, will the Secretary of State now try to explain why gas and electricity prices are lower in France and Germany than they are in the UK? Will he also allay my constituents' fears that, with French-owned energy companies in this country, there might be some form of cross-subsidy that is not helping us?

Edward Miliband: The answer to the right hon. Gentleman's first question is clear: actually, our prices are lower than the EU average for the individual consumer. Historically, that has been the case. As was said by my hon. and learned Friend the Minister of State, we are more subject to ups and downs in the market price. If the right hon. Gentleman does not like the market system that was introduced in the 1980s and 1990s, he can say so, but the most important thing that we can do, given the system that we have, is first to look at the system to make sure that it is the right one—we will do that—and secondly to put all necessary pressure on the energy companies to lower their prices. That is what we did four weeks ago, and that is what I will do at my meeting with the energy companies on Monday. I shall report back to the House on those discussions.

Mr. Eric Illsley (Barnsley, Central) (Lab): My hon. and learned Friend the Minister of State and I recently attended a reception where there was a demonstration of technology that can be retrofitted to coal-fired power stations to reduce their CO_2 emissions by 50 per cent. That would enable coal-fired power stations to be kept in use after 2015, and will reduce our carbon emissions greatly. The technology was developed by British Coal, and it was called the topping cycle at the time. Incidentally, the funding for that topping cycle was abolished by the Conservative Government in 1988. It is ironic that that technology is now being used to reduce carbon emissions. Will my hon. and learned Friend urge the energy generators seriously to consider fitting that technology to existing coal-fired power stations?

Mr. Mike O'Brien: Certainly, my hon. Friend and I attended a meeting where that new technology was discussed. A whole range of new ideas is coming forward from those who want to ensure that we get cleaner coal. One of the ideas brought forward was the one that we discussed the other day. I very much hope that the energy companies will look into such new projects, and run them alongside carbon capture and storage, so that we can ensure a future for clean-coal technology. We know that the Opposition—the Conservatives, at least—take the view that coal does not really have a role unless new technology is delivered in exactly the way that they want. We say that there is a range of ideas out there, and we want to see those ideas develop. We want generators to consider them, so that we get security, as 30 per cent., and at certain times in the year 50 per cent., of our energy comes from coal—

Mr. Speaker: Order. I call Mr. Peter Lilley.

T7. [235294] **Mr. Peter Lilley** (Hitchin and Harpenden) (Con): Earlier, the Secretary of State admitted that as a result of the Climate Change Bill his progress towards, and policies on, meeting the Government's targets would be judicially reviewable. Subsequently, he said that he intended to go ahead with coal-fired power stations because he attaches more importance to security of supply. Is he aware that that is precisely the sort of decision that will be subject to judicial review? Will he tell us whether he has taken any legal advice on whether he will be able to get away with that policy? A yes-or-no answer will suffice.

Edward Miliband: Why do I sometimes feel that I am being patronised? What I say to the right hon. Gentleman is that we are determined to meet our targets on climate change emissions, and we will do so. We are also determined to meet our ambitions on security of supply, to ensure that we keep the lights on. I am convinced that we can do both. The question about coal-fired power stations is: how quickly can we get carbon capture and storage attached to new coal-fired power stations? The Opposition have said that there should be no new coal-fired power stations unless CCS can be fitted immediately. We take a less dogmatic position; we ask how quickly we can ensure that carbon capture and storage can be attached to coal-fired power stations. That is what we are considering at the moment.

LEADER OF THE HOUSE

The Leader of the House was asked—

Select Committees

1. **Mr. David Heathcoat-Amory** (Wells) (Con): If she will bring forward proposals for Select Committees to conduct more of their business in public. [235257]

The Deputy Leader of the House of Commons (Chris Bryant): We have no plans to do so, because we believe that the historical tradition of this House, whereby Select Committees deliberate in private but take evidence in public, is the right way forward.

Mr. Heathcoat-Amory: Will the Deputy Leader of the House reflect on the fact that last night, despite all the efforts of the Labour Whips, our motion to open up the European Scrutiny Committee to the public was defeated by only six votes? The Committee sifts European proposals, which are eventually responsible for more than half of all the laws and regulations in this country. Will he therefore introduce amended proposals to allow the public into our proceedings, so that they can see what we do, on their behalf, about that torrent of legislation? If not, will he stop pretending that the Government are in any way in favour of the public's right to know and their engagement with the political process, as that will have been exposed as a hollow sham?

Chris Bryant: The right hon. Gentleman is basically trying to rerun yesterday's debate, which he lost comprehensively, and he lost the vote as well.

Michael Fabricant (Lichfield) (Con): By six votes

Chris Bryant: The right hon. Gentleman certainly lost the argument comprehensively. There is a more important point to be made. If we changed the rules on when Select Committees meet in private and when they meet in public, he would immediately start to complain—*[Interruption.]* The shadow Leader of the House will have her moment. If we changed the rules in the House regarding when Select Committees meet in private and in public, the right hon. Gentleman would be the first to complain when a member of a Select Committee started to release private information from the Committee's process of deliberation when a report was being drafted. We know perfectly well that it is up to Select Committees to choose when they meet in private or in public, but the historic tradition enforced by successive Speakers is the right one.

Secondary Legislation

2. **Michael Fabricant** (Lichfield) (Con): What assessment she has made of the effectiveness of the House's procedures for scrutinising secondary legislation; and if she will make a statement. [235258]

The Deputy Leader of the House of Commons (Chris Bryant): I believe that the process of secondary legislation is working well, but we are always open to suggestions.

Michael Fabricant: The Minister would, wouldn't he—as someone else famously said. While we all recognise the value of secondary legislation, particularly for Bills that introduce fines that have to be updated annually, or quotas and so on, there appears to be an ever-increasing use of Government amendments to Bills on Report or statutory instruments being used more and more to include information that could have been included in the primary legislation or in the Bill. As a result, in Committee, we often end up writing out a blank cheque, because so much is missing: statutory instrument content is not known, and we do not know what amendments the Government will table on Report to their own Bill. Yes, the Minister is right: on the whole SIs work well, but will he at least monitor their performance to ensure that they are not used as a blank cheque?

Chris Bryant: I am glad that the hon. Gentleman agrees that, broadly speaking, the system works well, and that it is right and proper that, for instance, the Judicial Discipline (Prescribed Procedures) (Amendment) Regulations 2008, whereby the processes for sacking a judge are determined, should be subject to the negative resolution procedure, which is less onerous for the House, whereas the Misuse of Drugs Act 1971 (Amendment) Order 2008, which changes the classification of cannabis, should be subject to the affirmative procedure, as the House would want to have a proper debate on that and make an informed decision. Of course, we will keep this under regular review, but the Joint Committee on Statutory Instruments, admirably chaired by the right hon. Member for Penrith and The Border (David Maclean), does a good job in making sure that no statutory instrument is ultra vires or introduces inappropriate legislation.

Mr. Nigel Dodds (Belfast, North) (DUP): Does the hon. Gentleman have any plans to make secondary legislation by means of Order in Council amendable?

Chris Bryant: We do not have any intention of doing so at the moment. The truth of the matter is that if we were going to make something amendable in any of the different categories of secondary legislation, it would make more sense for us to introduce primary legislation, so that it would be fully amendable and would go through all the separate processes in the House and, equally importantly, in the other place as well.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Following the reply by the Deputy Leader of the House to the previous question, and given that the volume of secondary legislation is so vast—some 12,000 pages in 2006—is it not time to undertake a proper review to allow greater scrutiny at the secondary legislation stage? I know that there are arguments for keeping the existing system, but they were made when the volume of secondary legislation was much less, so it is time for a review.

Chris Bryant: The hon. Gentleman knows that secondary legislation can come forward only if it is dependent on the original primary legislation, and we on the Government Benches are very keen to ensure that there is a process of post-legislative scrutiny. If the scrutiny were to suggest that, in a particular area, further, secondary legislation should not come forward from an individual Act, we would want to review the matter. If the hon. Gentleman would like to make specific recommendations, however, my room is room 102, around the corner, and he should feel very free to come round to talk to me sometime.

Ministerial Answers

4. **Andrew Mackinlay** (Thurrock) (Lab): If she will take steps to ensure that Ministers' answers to hon. Members include pertinent information otherwise available to the public; and if she will make a statement. [235260]

The Deputy Leader of the House of Commons (Chris Bryant): My right hon. and learned Friend and I always encourage ministerial colleagues to be as helpful as possible when answering hon. Members' questions. This does of course mean that, where possible, instead of referring to a previous answer or to a document that is available elsewhere, Ministers should provide the fullest possible information.

Andrew Mackinlay: Will my hon. Friend have a word with the Prime Minister? Did the Deputy Leader of the House notice that on 17 June and 13 October, on the advice of John Scarlett and Gus O'Donnell, the Prime Minister declined to answer my question as to who is the Clerk of the so-called Intelligence and Security Committee—an appointed Committee? The Prime Minister declined, and it upset me. I lay awake at night and, trying to get to sleep, reached for the "Civil Service Year Book", where I noticed—and I shall say this in a whisper, because it is top secret:

"Clerk to the Intelligence and Security Committee

Emma-Louise Avery".

The serious point is that this is sloppy. These are the same people who preside over things being left on railway trains leaving Waterloo and who try to tell me who I should and should not meet in London. It is arrogant of them to refuse to answer a reasonable question and it has got to stop—right from the top of the pyramid down to assistant regional Ministers.

Chris Bryant: I commend my hon. Friend, whom I think all Members think of their hon. Friend, for the forthrightness with which he always puts his case, and for his diligence. I hate to think of him lying awake at night worrying about things, but the general principle is absolutely clear: it is important that Ministers always provide the fullest possible information to Members, unless there is a very specific reason why they cannot do so, or when it is disproportionate to do so. I am more than happy to pass my hon. Friend's comments on to the Prime Minister.

Simon Hughes (North Southwark and Bermondsey) (LD): On that subject, can Ministers also try to ensure that the same honesty applies whenever there are ministerial answers? On the debate about Heathrow yesterday—[HON. MEMBERS: "Tuesday."] On Tuesday. It is absolutely clear that when Ministers told colleagues that no date had been decided for the Heathrow debate, the British Airports Authority had been told that the debate would be on Tuesday this week. Can Mr. Speaker's rulings be respected, so that colleagues in the House are told first and before people with a commercial interest outside the House?

Chris Bryant: Of course there is a basic principle that everything should be told to the House before it is told elsewhere, but there are very special circumstances, such as when issues might affect the markets, whereby I think the whole House understands that, for instance, the Chancellor of the Exchequer needs to make announcements in a slightly different way—and then needs to come to the House as soon as possible.

The hon. Member for North Southwark and Bermondsey (Simon Hughes) seems to have forgotten about yesterday, because the Heathrow debate was two days ago, but I am sure that the Secretary of State for Transport will have heard his comments, which the hon. Gentleman has now put on the record.

Business of the House (Timetabling)

6. **Mr. Peter Bone** (Wellingborough) (Con): What factors she takes into account when making decisions about the timetable for the business of the House. [235262]

The Deputy Leader of the House of Commons (Chris Bryant): Competing factors obviously have to be borne in mind: the need for proper scrutiny of legislation, the need for proper accountability of the Government, the needs of Back-Benchers to represent their constituents' concerns, the need of the whole House to listen to the concerns of the whole nation, and the need for the Government to get through its business efficiently and efficaciously. Sometimes those different factors clash.

Mr. Bone: I thank the Deputy Leader of the House for that answer. Oh, that it were true.

Chris Bryant: It is true.

Mr. Bone: The Deputy Leader of the House says that it is true. Will he therefore explain why, yesterday, the Government forced a closure motion when at least five Back Benchers wanted to speak on a programme motion that was designed to guillotine time on vital issues? It was an outrageous abuse of Parliament.

Chris Bryant: The hon. Gentleman knows perfectly well that it is for Mr. Speaker to decide, although Mr. Deputy Speaker was in the Chair yesterday, whether a closure motion is appropriate. The hon. Gentleman is trying to rerun yesterday's debate. The important point is that we tabled the business motion a full week in advance and neither the shadow Leader of the House nor the hon. Member for North Southwark and Bermondsey (Simon Hughes), who speaks for the Liberal Democrats, raised it at business questions last week. I say in all honesty and sincerity that if the shadow Leader of the House had said that she wanted more time for yesterday's debate, we would have listened to her concerns.

David Taylor (North-West Leicestershire) (Lab/Co-op): One of the measures that we can use to see whether business is being processed effectively and efficiently is the number of Government Bills introduced in one Session that are carried over into the next Session, perhaps for want of time. Is the Deputy Leader of the House aware that that number seems to be increasing over the years? Is he happy with that fact? Does he not think that the schedules of Bills at the Queen's Speech are sometimes over-ambitious?

Chris Bryant: I hate to disagree with my hon. Friend, but the number of carry-over Bills has not been increasing. At the moment, there are only two: the Political Parties and Elections Bill and the Banking Bill. In the past, my hon. Friend has argued in favour of carry-over Bills. They mean that at certain stages of the year it is more possible for this House and the other Chamber to provide suitable in-depth scrutiny of legislation. It is right that we have the carry-over provision, which is only a few years old.

Sir Patrick Cormack (South Staffordshire) (Con): If the Deputy Leader of the House truly means what he says about timetabling, will he and the Leader of the House take a little time during Prorogation to consider establishing a proper business Committee composed of senior Back Benchers who would determine the allocation of the House's time?

Chris Bryant: No, I will not. The hon. Gentleman knows that perfectly well, which is why he is sitting down with a great big smile all over his face. If there were to be a business Committee, I am sure that he, as one of the most senior Members of the House, would sit on it. I know that other Conservative Members also think that there should be one. However, to suggest that there should be such a Committee shows a fundamental misunderstanding of how the House operates. The only reason we are the Government is that we have a majority in the House. That arrangement is very different from that in the United States of America, where the Executive are separate from the legislature.

Secondary Legislation

7. **Mr. David Jones** (Clwyd, West) (Con): What assessment she has made of the effectiveness of the procedures of the House for handling secondary legislation. [235263]

The Deputy Leader of the House of Commons (Chris Bryant): I hate to say that I shall refer the hon. Gentleman to the answer that I gave a few moments ago, but I will.

Mr. Jones: I am grateful to the Deputy Leader of the House for confirming his previous answer. As he will know, the second of the new Welsh legislative competence orders went through Committee yesterday, and many more are expected. Given that those are important constitutional instruments conferring primary powers on the Welsh Assembly, how content is he that the only opportunity for debate of those measures is for one and a half hours in Committee? What consideration would he give, in certain cases at least, to extending such debates to the Floor of the House?

Chris Bryant: The hon. Gentleman is not quite right to say that those instruments are considered only in Committee sittings of one and a half hours; they also undergo pre-legislative scrutiny through the Welsh Affairs Committee. I want to pay tribute to the members of that Committee, particularly to its Chairman, my hon. Friend the Member for Aberavon (Dr. Francis); the Committee is taking on a significant new burden and a large number of legislative competence orders are now coming through from the Welsh Assembly. Some come from members of the hon. Gentleman's party who have recommended them as effectively being private Members' Bills from Wales, and some come in other ways. However, it is early days, and we want to keep the process under review.

Business of the House

11.33 am

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be as follows:

MONDAY 17 NOVEMBER—Motion to approve a Ways and Means resolution on the Education and Skills Bill, followed by consideration of Lords amendments to the Education and Skills Bill.

TUESDAY 18 NOVEMBER—Motion to approve a Ways and Means resolution on the Energy Bill, followed by consideration of Lords amendments to the Energy Bill, followed by consideration of Lords amendments to the Climate Change Bill [*Lords*].

WEDNESDAY 19 NOVEMBER—Consideration of Lords amendments to the Counter-terrorism Bill.

THURSDAY 20 NOVEMBER—General debate on fisheries.

The business for the week commencing 24 November will include:

MONDAY 24 NOVEMBER—The Chancellor of the Exchequer proposes to present the pre-Budget report. Consideration of Lords amendments to the Planning Bill.

TUESDAY 25 NOVEMBER—If necessary, consideration of Lords amendments, followed by consideration of Lords amendments to the Pensions Bill, followed by, if necessary, consideration of Lords amendments.

WEDNESDAY 26 NOVEMBER—If necessary, consideration of Lords amendments, followed by Report stage of the Banking Bill, followed by, if necessary, consideration of Lords amendments.

THURSDAY 27 NOVEMBER—Consideration of Lords amendments.

In respect of Prorogation, I hope that it will be possible to prorogue no later than Thursday 27 November. The House will understand that this is subject to the progress of business in both Houses, but that looks the most likely date at present.

Mrs. May: I thank the Leader of the House for giving us the business.

Following on from this morning's Energy and Climate Change questions, I remind the Leader of the House that the Energy Secretary gave a commitment a month ago that he would require action from the energy companies on fuel prices, or would take action himself. One month on, no action has been taken. This morning, the Energy Secretary committed to give a report to the House on his meeting with the energy companies, which takes place on Monday. Will the Leader of the House confirm that that report will be given via an oral statement to the House to give Members an opportunity to question the Energy Secretary, and when will that statement be made?

The issue of the programme motion on yesterday's business has just been raised again in questions to the Leader of the House. I know that business questions are about future business, not past business, but I ask the Leader of the House whether she really learned anything from yesterday's debate. Does she not realise the strength of feeling in this House when the Government unnecessarily curtail House business in this way? Frankly, what happened yesterday was a gross discourtesy to the House and an example of gross mismanagement of business. Will she give a commitment that in future she will put the interests of the House ahead of those of the Government and give sufficient time for Back Benchers to be able to express their views?

This week, the World Economic Forum confirmed that the UK has, for the second successive year, fallen in world gender equality rankings. Taking into account issues such as the gender pay gap, economic participation and educational achievement, the WEF now ranks the UK below nations such as Latvia and the Philippines. The report highlights the importance of making use of the full potential of women in the workplace. Will the right hon. and learned Lady, in her role as Minister for Women and Equality, therefore make a statement to the House to confirm whether the Government will support our equal pay and flexible working Bill?

The right hon. and learned Lady has made much of the fact that the Government will bring forward an equality Bill in the next Session. As she is the Minister for Women and Equality, the expectation was that she would lead the Bill through the House of Commons, but we now learn that that will be done by the Solicitor-General—indeed, her headed notepaper describes her as "Solicitor-General and Equality Bill Lead". I understand from the Library that in the past two decades only four Bills have been taken through the House by a Law Officer. Why has the right hon. and learned Lady been sidelined in this way?

We very much welcome the independent investigation announced by the Government yesterday into the tragic case of baby P in Haringey. Will the Leader of the House confirm that the findings of that inquiry will be made public, and will the Children Secretary come to the House to make a statement on those findings in the new Session?

On a more general point, can we at some stage have a general debate on the social work profession? Most social workers do a vital job in exceptionally difficult circumstances, but the chief executive of the NSPCC said yesterday that they did not have enough training and support and were heavily engaged in paperwork and bureaucracy. I think that a debate on social work would be appropriate and timely.

Finally, last year, in his Mansion House speech, the Prime Minister spoke of

"an era that history will record as the beginning of a new golden age for the City of London".

Within months, there was the first run on a UK bank for a century. In April this year, he said to the House:

"even in difficult global times, we are continuing to create jobs and continuing to bring unemployment down."—[*Official Report*, 23 April 2008; Vol. 474, c. 1309.]

Figures released yesterday show that unemployment has gone up to 1.8 million—its highest level for 13 years—so it is now higher than when Labour came to office. People are losing their jobs, businesses are going under and homes are being repossessed. I ask the Leader of the House yet again: when can we have a general debate in Government time on the state of the economy?

Ms Harman: The right hon. Lady asked about the Energy Secretary's meeting with the energy companies, and just a few minutes before these questions, the

[Ms Harman]

Energy Secretary has been held to account by the House. If he has any future specific announcements to make, he will no doubt bring them to the House.

The right hon. Lady asked about the programme motion yesterday, and whether I had learned any lessons. The reality is that we spent two hours discussing the timing—two hours of concern about the length of time given for debate. An amendment could have been tabled to our programme motion, which we laid before the House seven days before the matter was debated. If a proposal for an extra hour's debate on regional Committees had been introduced by the Opposition, or from those on our Back Benches, it stands to reason that we would have accepted it. They could have done that, instead of our spending two hours discussing timing. I have learned that the Opposition perhaps need to be encouraged to table amendments, rather than fulminate for two hours when they have failed to do so. That is what I have learned, and I would ask what the right hon. Lady has learned. We are all clearly in a learning environment.

The right hon. Lady asked about world gender equality, and mentioned the equality Bill. I am grateful that she will actively support that Bill when it is introduced after it is announced in the Queen's Speech. She also said something rather curious about my having allegedly been "sidelined" on equality, which shows a misunderstanding of the movement for women's equality. I do not own that movement, so it is not a question of my being sidelined. We should have more women Ministers, more women Members of Parliament, and more action taken by women in voluntary organisations throughout the country; that is not a question of being sidelined, but of the agenda being mainstreamed. I have overall responsibility for the equality Bill, and the Solicitor-General will lead the Bill through the House, just as the Attorney-General took the lead in the House of Lords on the Counter-Terrorism Bill. The Law Officers are able not only to give advice to the Government but to lead Bills through the House, and the Solicitor-General will do an excellent job. She will have my full support.

What is so terribly tragic about the case of baby P, the baby in Haringey killed by his parents, is not only that a baby should have been killed in such horrible circumstances, but that there appear to have been up to 60 missed opportunities to save that baby's life. There were 60 occasions when the family and the baby were seen by social workers, police and health professionals, which is why everyone finds this case so particularly tragic. We all want to ensure that lessons are learned. Children, Schools and Families questions will take place on Monday.

The right hon. Lady raised the issue of the economy, and particularly jobs. For any individual, in whatever circumstance, to lose their job is a matter of great concern. Many people worry not only when they will find their next job, but if they will lose their house in the meantime. That is why we are introducing extra help with mortgages and why we are putting extra investment into Jobcentre Plus, and into private and voluntary sector organisations that can help people to find their next job. In the summer, we had a record high number of 30 million jobs in the economy. In the last quarter, according to the available figures, there were still something like 600,000 vacancies in the economy. It is important that we try, by stabilising the economy, recapitalising the banks, taking international action, introducing public sector projects and helping small businesses, to ensure that people do not lose their jobs. However, if people do lose their jobs, we must ensure that every bit of help possible is available to them.

I said that we would have the pre-Budget report on Monday week. Shortly thereafter, on 3 December, there will be five days of debate on the Queen's Speech. The No. 1 priority—our top concern, as I am sure it is right hon. Lady's—is the effect of the economic crisis on all aspects of life for businesses and families. We want to ensure that the House has ample opportunity to hold Ministers to account and have general debates on the economy.

After the matter was raised in last week's business questions, I looked back from the beginning of October till now, and found that there have been no fewer than 12 occasions on which the House has had an opportunity, whether through debates or statements, to raise economic issues. If Members have an opportunity to hold a Treasury Minister to account and make speeches, does it matter whether it is technically in Government time or in the debate after the Queen's Speech, which happens in Government time but for which the Opposition choose the subjects? It is important for the House to debate the economy, and for the public to see that we are doing so and holding Treasury Ministers to account. I will ensure that there is a continuous stream of statements and debates on the economy and that the House has plenty of opportunity to discuss it.

Anne Moffat (East Lothian) (Lab): I wonder whether my right hon. and learned Friend had time to view the "Dispatches" programme on Channel 4 last night about children who have been mutilated, abused and killed in Nigeria because they were accused of being witches. The practice is blamed on the Church, which is involved in it, claiming that it is part of a Christian reading of the Bible. Has the world gone mad? May we have a debate on the crisis in Nigeria, and on protecting those innocent children?

Ms Harman: I will raise my hon. Friend's point with my colleagues in the Foreign Office and in the Department for International Development. We want to support human rights not only in this country but throughout the world.

Simon Hughes (North Southwark and Bermondsey) (LD): I thank the Leader of the House for assisting in ensuring that we have a statement today from the Secretary of State for Work and Pensions on the Post Office card account and that it will be made to the House first. That is welcome and appreciated.

As the Leader of the House plans future business, will she reflect on a matter that the right hon. Member for Maidenhead (Mrs. May) raised but that is of widespread concern? Yesterday, the Government were defeated once, withdrew twice and came within three votes of being defeated a second time. They managed to impose their will about the structure of Committees in England by using their majorities in Scotland and Wales—they have the majority of the popular vote in neither place. Will the Leader of the House reflect on whether she is serious about the sort of discussion that she hinted she is willing to offer on those controversial matters?

Yesterday's business was controversial and I am sure that more time could have been given for debating it. Today we have a topical debate on combating obesity, which is important but not topical, given that there are such issues as the safety of young children, youth unemployment, general employment and the state of the economy to discuss. Those are huge matters, which are much more topical, by any definition, than combating obesity. May we please have a structure for discussing the subjects for topical debates before they are announced? Even if the Deputy Leader of the House, using false constitutional arguments, claims that the House should not have a general business Committee, will the Leader of the House consider whether we can have a business Committee that is representative of the parties of the House to examine topical debates? At least we could then learn whether that was a good precedent that could be applied more widely.

Again, it is welcome that the Chancellor will come to the House to make a statement on the pre-Budget report on Monday week. However, it is nonsensical not to have a general debate about what the statement should contain, but simply to respond to it. I hazard a guess that the Chancellor will make some announcements that are intended to have effect before the Budget. I am sure that the Chancellor is not just going to tell us what his thoughts are for next year without wanting to do something now. Colleagues in the House ought to have an opportunity to debate that before Monday week. There is plenty of time next week, but if the Leader of the House can find no other way, may I ask that the topical debate next week, ahead of the pre-Budget report, be on the economy and be extended to the whole of Thursday?

Lastly, the Public Accounts Committee has today published an important report on energy prices, which has made it clear, among other things, that a large number of people pay higher bills when they change energy supplier. Please may we have an opportunity before the winter to discuss the urgent matter of energy prices, on the basis of the Public Accounts Committee report and the many other reports that show that we pay higher energy prices than almost any other country in Europe?

Ms Harman: The hon. Gentleman raised the defeat in one of the votes yesterday. That was because the vote was on House business and was therefore on a free vote. That is the way of the world. When there is a whipped vote, we expect to win but do not always do so; when there is an unwhipped vote, we hope to win but do not always succeed. That is the way of things. It is rather odd that the hon. Gentleman is complaining that our position was defeated on an unwhipped vote. That should prove to him that there was a free vote. Indeed, I would have expected him to complain more vociferously if we had won all the votes, which last night we most assuredly didn't, thank you very much—says she with great good grace.

If something is controversial, that does not mean we should not bring it to the House and offer hon. Members the decision. Just because the proposal for regional Committees was controversial, it does not mean that we should not have the right to put it forward. So we put forward the proposal, and it was controversial, and strong arguments were advanced on all sides. We are proceeding, but let me remind all those who voted against proceeding—and who did not succeed in that vote—that we will be reviewing the proposal, which will run only for an experimental period. I hope that in that period even those who voted against the proposal will put themselves forward to join the Committees and make them work. Then we will see whether they are successful in holding to account big organisations that are important to their regions, but which are currently not properly accountable.

The hon. Gentleman mentioned topical debates and said that worklessness and the economy were more topical than the obesity report that we have chosen for today. However, I remind him that on 23 October we had a topical debate on work and skills; on Thursday 30 October we had a topical debate on business in the regions, much of which was about employment; and on Wednesday 5 November we had a general debate, chosen by the Government, on work and welfare, so there have been a number of such debates. The hon. Gentleman is right to raise the issue of employment and unemployment, however, and we want to ensure that the House can continue to give it the priority that we all know it deserves.

The hon. Gentleman made what I regard as a slightly novel proposal—that we should have a pre pre-Budget report. The problem with having an economic debate immediately before the pre-Budget report is that if it is just a few days before the Monday of the pre-Budget report, the Chancellor will not be able to say a great deal in that debate. The reason the Government introduced the pre-Budget report was that previously we had just the Budget in March—the announcement was made and that was it. This Government introduced the pre-Budget report, which was an innovation, so that the Chancellor could announce what would be in the Budget and make any necessary interim announcements. However, I hear the hon. Gentleman's suggestion for a topical debate on the economy. Bearing in mind what other hon. Members have said, let me assure him that we always keep our mind open to whether there should be a topical debate on the economy, irrespective of the upcoming pre-Budget report.

Emily Thornberry (Islington, South and Finsbury) (Lab): May we have a debate on the effect of the credit crunch and the lowering of house prices on leaseholders who bought their flats on large council estates? As I know my right hon. and learned Friend is aware, many of them are on low incomes and face huge bills as a result of major ongoing works and, in particular, the decent homes programme, which in every other respect is to be welcomed.

Ms Harman: I thank my hon. Friend for raising that issue. Along with our hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck), she has been a champion for the protection of leaseholders. Many people bought former council properties, but then, with the big investment in council estates following the decent homes programme, those on modest or low incomes, including retired people, were clobbered with bills of up to £40,000. While house prices were rising, it was possible for those people to have a charge taken on their homes, so that they would not have to stump up the cash immediately. With the fall in property prices,

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however, they have faced problems. I know that my right hon. Friend the Minister for Housing has been making the issue a priority, and I am aware that a number of hon. Members have had meetings with Ministers. Perhaps I should suggest a general meeting between the Minister and all Members with leaseholders in their constituencies who face such problems, and then perhaps we can come forward with an announcement. We are talking about people on very low incomes or perhaps in retirement who suddenly find five-figure sum bills arriving on their doormats and being told that they have to pay. That is something that, along with other problems in the housing market, we cannot turn away from.

Sir Michael Spicer (West Worcestershire) (Con): Will the right hon. and learned Lady make the Speaker's advisory committee a formal Committee of the House?

Ms Harman: Is the hon. Gentleman referring to the Members Estimate Committee, the House of Commons Commission or the Advisory Panel on Members' Allowances?

Sir Michael Spicer: The Advisory Panel on Members' Allowances.

Ms Harman: I am not aware of a formal proposal from the Advisory Panel on Members' Allowances that it should be made a Committee of the House rather than being advisory to the Speaker, but if it did make such a proposal, it would no doubt be considered by the House and above all by the Speaker.

Mr. David Drew (Stroud) (Lab/Co-op): Today's news that there are problems with money transfers through MoneyGram and Western Union is giving the issue some long overdue publicity. A constituent of mine encountered a problem when she was trying to lease a flat. Although she was assured that no transfer would take place, one did take place—indeed, it went through the Post Office—and she was defrauded of money. Thankfully she has received the money back, but the problem is growing and affects many of our constituents. Will my right hon. and learned Friend have a word with our right hon. Friend the Chancellor to ensure that we are looking at regulation? Otherwise, the problem will continue to grow and many more people could be defrauded.

Ms Harman: I know that this is a concern and, as a number of hon. Members have raised it, perhaps it would be a suitable subject for a Westminster Hall debate.

Sammy Wilson (East Antrim) (DUP): This week the Serious Organised Crime Agency shelved plans to name drug barons, people traffickers and other criminals who have had financial reporting orders placed on them, because doing so would breach their human rights. The purpose of naming them was to make it more difficult for them to reoffend, and to help the public to co-operate with the police in reporting suspicious financial transactions. Will the Leader of the House give us an opportunity to debate human rights legislation, which increasingly seems to distort the law in favour of criminals?

Ms Harman: I am not aware of the specific case that the hon. Gentleman mentions. However, the purpose of naming those who have been made subject to orders or found guilty of offences is to ensure that those who might be at risk know the situation; to deter people by showing them that they will be named publicly; and to enable the public both to know that those who reoffend are under an order and to report them. I do not think that anything in the Human Rights Act 1998 prevents a proper and proportionate response to curtailing future criminal activities, but I shall look into the case that the hon. Gentleman mentions and raise it with an appropriate Minister.

Anne Snelgrove (South Swindon) (Lab): Yesterday, after a rather fractious afternoon in the Chamber, it was wonderful to see the House come together to welcome the setting up of the Speaker's Conference to improve representation in the House. May I congratulate my right hon. and learned Friend on bringing that proposal forward and her opposite numbers on supporting it? What action is being taken to improve the representation of women, and members of the ethnic and black communities, on public bodies? That is often a very good preparation for parliamentary life, so if we can get that representation right now, we will have people who are prepared and ready to come into the House as soon as we have made a decision on how that can be done.

Ms Harman: My hon. Friend makes an important point. It is important for public bodies to have people who have been selected on merit, from the widest pool, with the broadest range of experience, to ensure that they can make the right decisions and give the right advice to Government and agencies. It is also an important role for people to choose before they step forward further into public life and enter the House. We have discussed with the Commissioner for Public Appointments a strengthening of her remit. That will be in the equality Bill, with the purpose of providing a more specific focus on ensuring diversity in public appointments.

The real missing voice in local councils is that of Asian women. There are something like 145 Asian women councillors; but to be representative in local government, there should be 1,000. We have set up an all-party taskforce under Baroness Pola Uddin and when she has concluded her work, we will report back to the House.

I thank my hon. Friend for her comments on the Speaker's Conference, and pay tribute to you, Mr. Speaker, for taking up this very important initiative. I believe that it will be an historic contribution of your Speakership.

Sir George Young (North-West Hampshire) (Con): The Leader of the House has announced that there will be a statement by the Chancellor on the pre-Budget report on Monday week, but she has not announced any time for a debate on it. Last year, there was no debate on the pre-Budget report, and she was good enough to concede to me and others that that was less than satisfactory. This year's pre-Budget statement is probably the most important statement that the Government will make in this Parliament, and it is quite wrong that we should have no time to debate it, and unacceptable that it should be rolled into a general debate on the Government's legislative programme. Will she reflect on her plans and make provision for a debate in Government time on the pre-Budget report?

Ms Harman: I take the right hon. Gentleman's points seriously. Obviously, he is saying that there needs to be a statement with ample time, and an opportunity thereafter for debate, so that hon. Members can make speeches and the Treasury can respond. I will keep that under review.

At this time of year, we must ensure that there is enough time for the Report and Lords amendments stages of the many Bills that are coming back from the other place. The No. 1 priority for the Government is the economy. We certainly have no intention of having anything less than a full debate on it in the House.

Mr. Ian Cawsey (Brigg and Goole) (Lab): My right hon. and learned Friend will be aware of the concern among companies that operate in many of the ports around the country, including Goole, over the new business rates arrangements and the fact that they are to be retrospectively applied to 2005. I and other hon. Members were grateful that the Prime Minister met us a couple of weeks ago and offered to look into the matter and give what assistance he could. Will my right hon. and learned Friend arrange for a statement to be made to the House, so that we can find out what that assistance will be and how those companies will be helped through these difficult times?

Ms Harman: I know that my hon. Friend, and other hon. Members, have raised this matter on behalf of their constituents with the relevant Ministers and the Prime Minister. If there is to be a response from Government, there will doubtless be a statement.

Stewart Hosie (Dundee, East) (SNP): As we move into this recession, we have seen unemployment rise massively in the past three months, and forecasts for the future are pretty gloomy. Given that it is our job to try to protect and preserve jobs, it does not appear to make a great deal of sense for the Government to press ahead with their support for the Lloyds TSB-HBOS merger which, it is reported today, could lead to the loss of 60,000 jobs. Edinburgh and Lothian Members, including the Chancellor, are conscious of that, and MPs in the Halifax area are also aware of the concerns in their constituencies. May we have a debate, in Government time, so that the Government can justify their continued support for the shotgun merger of Lloyds TSB and HBOS, and the potential loss of jobs, and to hear the arguments from both sides of the House? Independent recapitalisation of both banks would provide as much stability as the merger, and it would preserve and protect lots of jobs.

Ms Harman: We are very concerned about the protection of financial services, and ensuring that there is lending to small businesses, families and in the housing market. The service provided by the financial services industry is important, but it is also an important employer, so we are concerned when we see job losses. That is why the Chancellor has made it clear that he will do whatever it takes to stabilise and protect all existing financial services organisations, including taking over Northern Rock and the action that we have taken on Bradford & Bingley. When the best action to take is supporting and enabling a merger, as is the case with Lloyds TSB and HBOS, we will take it.

We are well aware of the impact that the situation is having in Yorkshire, as the hon. Gentleman mentioned, with Bradford & Bingley and the Halifax, and the Minister for Yorkshire and the Humber has been working with colleagues and agencies in the area. We are also concerned about the effect on Scotland. Certainly, we will leave no stone unturned, but it is not right for any Member to suggest that there is some sort of magic wand alternative to the Lloyds TSB-HBOS proposal. If there were, and if it stood up to scrutiny, it would be there for consideration, but we regard the merger as the best option.

Andrew Miller (Ellesmere Port and Neston) (Lab): In my right hon. and learned Friend's opening statement, she said that we were all in a learning environment. Will she consider setting up a series of seminars to help people who are not terribly experienced in the House—for example, to show them how to set out amendments, or to ensure that they know that it is proper to address the House through the Speaker?

Ms Harman: As my hon. Friend will know, that is very much a matter for the Speaker.

Mr. Lee Scott (Ilford, North) (Con): Will the Leader of the House make time for a debate on the amount of compensation being paid by the NHS in relation to negligence claims? In London alone, in the past three years, that sum, including legal fees, has totalled nearly a quarter of a billion pounds.

Ms Harman: May I suggest that the hon. Gentleman seeks an Adjournment debate in Westminster Hall or the House on the matter? The first point of principle is that we do not want any mistakes in the NHS that cause pain and suffering, quite apart from financial loss. However, if there is negligence in the NHS, it is right for those who suffer to be compensated. This is an important issue, and the hon. Gentleman should seek an Adjournment debate on it.

Mark Fisher (Stoke-on-Trent, Central) (Lab): Will my right hon. and learned Friend find time for a debate on the work of bailiffs? In the present financial climate, such work is sadly likely to increase. If her constituency mailbag is anything like mine, she will be learning of an increasing number of hard and painful cases. Being a bailiff is a difficult job, but the way in which they conduct themselves can make a difference to the dignity of people in financial stress.

Ms Harman: We have increased the regulation of bailiffs. This is a case in which what is sometimes derided as red tape is important to protect people who are very vulnerable. It is not only important to have the right regulation in place, but to ensure that it is properly enforced. I will ask the Minister concerned to write to my hon. Friend to explain not only the current state of the regulations, but how they are being effectively policed.

Jo Swinson (East Dunbartonshire) (LD): May we have a statement from the Leader of the House on progress towards publishing MPs' expenses? It was supposed to happen this autumn but, so far, there has been no sign of it. Will she confirm when MPs' expenses will be published, and explain the delay?

Ms Harman: The House authorities are in the process of formulating the data for the last five years for Members' expenses, to put them into the public domain in a proper manner. As the hon. Lady can imagine, it is a major undertaking, and the authorities are working on it, with additional staff, as fast as they can. At the same time, they are paying out current expenses, which we do not want to be delayed. That work is very much under way.

May I take this opportunity to congratulate the hon. Lady on her excellent contribution on the Speaker's Conference last night?

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May we have a debate on adequate funding for public services? If we have learned anything from the recent by-election in Glenrothes, it is that people respect and want decent public services. Although it sounds popular to announce a council tax freeze, it comes with consequences, which often affect the most vulnerable people in our society. Given that the official Opposition are going down the same route, will my right hon. and learned Friend assure the House that the Government will not be tempted to do likewise?

Ms Harman: I would certainly like to pay tribute to and welcome the new Member for Glenrothes (Lindsay Roy), who was introduced to the House yesterday. When I was up in Glenrothes, I felt very strongly that it is not only elderly people themselves who are worried about increases in charges, as whole families then become concerned about their older relatives. We all need to recognise that care and support of older people in their own homes—it is called adult social care, but it is really the common-sense issue of looking after elderly people—should move much higher up all our political agendas.

Mr. Brian Binley (Northampton, South) (Con): As you will know, Mr. Speaker, many pensioners are in dire straits, as about 1.8 million are judged to be in poverty, we have pretty much the lowest basic pension in Europe and recent interest rate cuts have hit them massively in respect of their often very small investments. Will the Leader of the House consider—and with some urgency—having a debate on the position of our pensioners, who are facing, as I said, such serious challenges?

Ms Harman: I reassure the hon. Gentleman that we remain very concerned about the position of retired people in the current economic climate. I responded a few moments ago to a question from my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry) about leaseholders. Many of them are people who, on retiring with a lump sum, bought their council property as leaseholders but now find themselves facing bills. That is just one example of the problems they face in the current economic climate. We know the increase in energy costs is particularly difficult for older people who spend more time at home, need more heat as they move around less, and often have less disposable income than younger people. I assure the hon. Gentleman that we are very much focused on the concerns of retired people. I would also remind him, however, that we operate from a position that is now much better than it was in 1997. If we take into account all the different categories of people—single people without children, couples without children, couples with children, retired people and so forth—we find that the people whose income in percentage terms has increased most among the whole population are single women in retirement. I am not complacent about that, but the hon. Gentleman should recognise that although we have more to do, we have done a great deal since his party were in government.

Gwyn Prosser (Dover) (Lab): Will my right hon. and learned Friend find time to debate the behaviour of Dover Harbour Board, whose chief executive wants to get rid of 200 port workers and whose actions have led to the Unite union taking strike action next week? Does she agree that such action by the board, without any negotiations with the unions, is thoroughly irresponsible?

Ms Harman: At this time, public authorities should not be making people unemployed. We want all public authorities not only to provide the services that they should, but to refrain from doing anything that will make unemployment worse. I will ask the Under-Secretary of State for Transport, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), who I believe is responsible for the port authorities, to look further into this matter forthwith.

Mr. Edward Garnier (Harborough) (Con): May I ask the Leader of the House for an early debate on work in prisons? She will know that one of the best ways in which to reduce reoffending when people leave prison is to find them a job. One of the saddest things to have happened over the past few weeks is the closing down of the Barbed project at HMP Coldingley. That project provided real and well paid work for a number of prisoners, but it has been closed down as a consequence of the Government's introduction of the core day. That is utterly regrettable; may we have a debate about it?

Ms Harman: I recognise the hon. and learned Gentleman's long-standing interest in these issues and the sophistication of his approach, which he has demonstrated again today. It is important to do whatever we can when people are in prison to ensure that they do not promptly reoffend when they come out of prison, so I will raise the hon. and learned Gentleman's point with my right hon. Friend the Secretary of State for Justice and Lord Chancellor.

Barry Gardiner (Brent, North) (Lab): Yesterday, a group of all-party MPs met senior staffers from the Senate offices in Washington to discuss issues of climate change. One point that was made forcefully to us was that labour organisations and unions in this country are so much more ahead and part of the debate than they are in the United States. Will my right hon. and learned Friend find ways in which we could encourage further dialogue between labour organisations here and in the US, to ensure that we progress the climate change agenda?

Ms Harman: I know that my right hon. Friend the Secretary of State for Energy and Climate Change recognises, as does my hon. Friend, that it is not just the work of national Governments that matters, as it is also important to prompt work internationally and for organisations in civil society to work in partnership on climate change issues. I will raise my hon. Friend's point with my right hon. Friend.

Mr. David Heath (Somerton and Frome) (LD): This is going to sound very trivial, but it is actually quite important to our landscape and countryside. May we have a debate on conkers or, perhaps more properly, on invasive pathogens on native British trees? Horse chestnuts are being assailed by Phytophthora, leaf miner caterpillar and, most seriously of all, by Pseudomonas syringae—a new and very aggressive disease, which has affected possibly 50 to 75 per cent. of the native horse chestnut population. We do not want to see the same sort of depredation that happened to elms as a result of Dutch elm disease, so may we have a debate to discuss what can be done?

Ms Harman: Just as elms were part of and defined the landscape of England, Wales and Scotland, so, too, do horse chestnuts after the demise of those elms. The hon. Gentleman raises a very important point. It is partly to do with viruses and partly to do with the effect of climate change. Indeed, this is just one manifestation of climate change, which is why we must step up all-party action on it, both nationally and internationally.

Mr. David Chaytor (Bury, North) (Lab): For the best part of 40 years, since the Government of Harold Wilson established the excellent Girobank, the Post Office has been involved in one way or another with banking services. In view of last week's interesting suggestion by Lord Mandelson about a possible future role for the Post Office in banking services, and regardless of what our right hon. Friend the Secretary of State for Work and Pensions says in his statement at 12.30, does the Leader of the House agree that the credit crunch has completely transformed the debate about the future of the Post Office? Once we have absorbed what our right hon. Friend's statement means in its entirety, would it not be useful if we had a topical debate on the future role of the Post Office in the banking system?

Ms Harman: My hon. Friend is right that the credit crunch has provided an imperative to think afresh about the delivery of financial services. He mentions the Post Office's role in providing such services, but there is also the issue of credit unions. My hon. Friend referred to the Business Secretary, Lord Mandelson, who is already aware of those issues, and our hon. Friend the Member for Dagenham (Jon Cruddas) has also made some proposals; they will be under active consideration.

Mr. Paul Goodman (Wycombe) (Con): Returning to the theme of being in a learning environment, several of my constituents are as a result of computer problems having difficulty getting into one because they cannot get the education maintenance allowance to which they are entitled. I took their cases up with the Learning and Skills Council on 7 November and I recently received a reply saying simply that all providers will be kept up to date. We need to do a bit better than that, so may we have a specific date and will the Education Secretary come to the Dispatch Box to tell us when it will be?

Ms Harman: The Secretary of State for Children, Schools and Families will answer questions on Monday. The hon. Gentleman can raise the matter then to establish whether the Secretary of State has anything to add to the written ministerial statement that he has already made on this topic.

Albert Owen (Ynys Môn) (Lab): Last Tuesday I had the honour of opening the new search and rescue force headquarters at RAF Valley in my constituency. On that day, an international conference took place enabling delegates from all over the world to learn from the British way, which is the best way when it comes to rescue.

My right hon. and learned Friend will be aware that the search and rescue force works with a number of partners, including the police and agencies such as the Maritime and Coastguard Agency. Will she join me in applauding that agency's professionalism? May we have a debate on the wages and conditions of those professional people, many of whom survive on an income just above the minimum wage?

Ms Harman: I am happy to join my hon. Friend in paying tribute to the search and rescue organisations and the partnership which, as he said, includes both the police and the Maritime and Coastguard Agency. I also join him in acknowledging the work of that agency, which is not just about search and rescue but about regulation—not red tape, but important regulation that preserves the safety of vessels at sea and protects the environment by ensuring that goods are transported safely.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May we have an early debate, in Government time, on the losses of depositors in the Isle of Man banks? I realise that we had an Adjournment debate on the subject last week, but that is not sufficient. I myself do not call for Governments to compensate in the absence of fault, nor are Governments the guarantors of last resort; but the House must have an opportunity to explore whether or not the Government were at fault. There are issues of parity to be considered. Furthermore, the question arises of whether the Government should loan money to the compensatory authorities in the jurisdictions, to enable those jurisdictions to compensate to the extent of the schemes then in place.

Ms Harman: The right hon. and learned Gentleman has made a substantial point about a situation that is both very complex and, for the people whose money is frozen or lost or who are worried about it, very simple indeed. I shall raise it with my colleagues in the Treasury to establish whether a written ministerial statement is necessary in respect of those with deposits in Isle of Man financial institutions.

Anne Main (St. Albans) (Con): Along with many other hon. Members, I met firefighters yesterday. May we have a debate on the Floor of the House about the conditions in which our firefighters are now expected to work? I was extremely concerned to learn that there has been no hot-fire training for established firefighters in Hertfordshire since 2001, and that many are still expected to use communication equipment that does not stand up to heat. I understand that there are 40 outstanding policy recommendations relating to firefighters and firefighting incidents, and I believe that we need an urgent debate to discuss the future of our firefighting services.

Ms Harman: I welcome what the hon. Lady has said, and will draw it to the attention of relevant Ministers.

[Ms Harman]

Once again we have heard about the beneficial effect of regulations. This is not red tape or a health-and-safety culture, but proper regulation to protect people who are doing a very important job, and I welcome the fact that an Opposition Member has supported that rather than decrying it.

Dr. Andrew Murrison (Westbury) (Con): The Leader of the House will be as concerned as I am to learn that troops who are being deployed with ever-increasing amounts of heavy equipment are exceeding troop flight weight limits, which means that their personal kit must be left behind to be sent on at some later date. I have also learned, from a memo dated 10 October 2008 from General Richards, that good will parcels sent by generous members of the public may not be dispatched, which is not good in the run-up to Christmas. Will the Leader of the House ensure that there is a debate in Government time on the common factor, namely the inadequacy of the United Kingdom airbridge?

Ms Harman: A priority for us in Government is the support and protection of our troops in theatre. I will raise the specific points made by the hon. Gentleman with my colleagues in the Ministry of Defence, and will ask them to write to him.

Mr. Andrew Pelling (Croydon, Central) (Ind): Treasury Ministers have been extraordinarily generous with their time in allowing themselves to be held to account in the House, given that they are trying to manage one of the most significant financial crises in the last 100 years. When might I have an opportunity to raise the important issue of pensioners who have suffered a considerable reduction in their incomes? HSBC is currently targeting pensioners with a bonus-option account paying just 1.5 per cent. in interest.

Will the Leader of the House also tell me when we can raise another important issue? The Paulson plan in the United States seems to be failing. It has now begun bailing out credit card and student loan debt, which is a sign that the financial crisis is becoming a great deal worse.

Ms Harman: As I have just told the House, the Chancellor will present his pre-Budget report on Monday week. I am sure that the important points raised by the hon. Gentleman can be raised again on that occasion.

Mr. Peter Bone (Wellingborough) (Con): In September 2006, a 16-year-old child came to this country from eastern Europe expecting to be given work in a bar. In fact, she was sold into sex slavery. She was raped, beaten, held at gunpoint, and moved from brothel to brothel. Thankfully, the Metropolitan police unit that deals with human trafficking rescued that young girl, and I am pleased to say that the trafficking gang were given a total of 52 years in prison. What is very disturbing, however, is that the unit has now been disbanded. May we have a statement from the Home Office explaining why it has done that?

Ms Harman: There is no lessening of the work done by not only the Metropolitan police, but police authorities throughout the country, to deal with the trafficking of young girls. I pay tribute to the work that the hon. Gentleman has consistently done on the issue, both as a member of the all-party parliamentary group on trafficking of women and children and in raising it in the House.

The case to which the hon. Gentleman referred is the Plakici case, which I referred to the Court of Appeal. That is why there was such a large increase in the sentence. A sentence of 22 years sends the deterrent message that the courts in this country will not tolerate human trafficking.

As the hon. Gentleman may know, my right hon. Friend the Home Secretary has announced that she will be presenting legislation to deal with human trafficking. We must not only tackle the traffickers—who must be prosecuted and given big deterrent sentences—and protect the victims, but recognise the responsibility of the men who pay for sex in brothels up and down the country. We must tackle what is described as the demand side of this terrible trade. My right hon. Friend's legislation will ensure that men who have sex with victims of trafficking are prosecuted, found guilty and brought to justice.

Mr. Philip Hollobone (Kettering) (Con): This week the independent monitoring board for prisons highlighted the problems caused by the use of mobile phones by prisoners in prisons for the purpose of organising crime, particularly relating to drugs, both inside and outside prison walls. When may we have a statement from the Ministry of Justice about the action that it intends to take to tackle the problem, which I hope will include the installation of mobile phone blockers in Her Majesty's prisons?

Ms Harman: I shall raise the hon. Gentleman's important point with my right hon. Friend the Secretary of State for Justice, and will ensure that my right hon. Friend writes to him. Obviously prisoners need to communicate with their families to ensure that they do not break down while a family member is in prison, but the last thing that anyone wants is for them to organise crimes from their mobile phones in prison.

Post Office Card Account

12.28 pm

The Secretary of State for Work and Pensions (James Purnell): With permission, Mr. Speaker, I shall make a statement on the future of the Post Office card account.

The Government created the Post Office card account in 2003. We announced that there would be a successor in 2006. On the basis of the legal advice that we received at the time, we put the contract out to tender. During that process, I have been unable to comment publicly or privately on the matter. I know that that has been frustrating for hon. Members, and I thank them for their patience and understanding. *[Laughter.]*

I also know that all hon. Members would agree that the Post Office is at the heart of their communities. It reaches the places and people that no one else reaches. That is why the Government have invested £2 billion in the Post Office since 1997; why we have, for the first time, set out access criteria to preserve its reach; and why we will invest another £1.7 billion between now and 2011.

There is no doubt that the Post Office card account is central to maintaining a viable post office network. It not only generates a key part of the Post Office's income, but brings with it a footfall that is vital to individual sub-postmasters. Post Office card account customers have shown how much they value the service through the postcard campaign that has resulted in large postbags for hon. Members over the last few months.

It is also clear that maintaining a viable Post Office network is even more critical now than it was two years ago. The financial turbulence that began in America and the string of consequences that followed it have understandably made many people, particularly the most vulnerable in our society, more concerned about financial transactions. The Post Office, with its trusted brand, is seen as safe, secure and reliable as a provider of financial services.

So I believe that now cannot be the time for the Government to do anything that would put that network at risk, particularly as post offices are often the only providers of banking services in both rural and deprived urban areas. The Post Office also has a proven record of being able to move billions of pounds in cash safely around the country and prides itself on meeting the needs of vulnerable customers. Sub-postmasters know their customers and provide a social service as well as a banking service. Delivering this vital social service for groups in our communities who need it most is not only an objective of the Post Office. It is an objective that the Government share passionately as well. To safeguard that service, we must help and support a viable post office network.

For that reason, I can announce today that the Government have now decided to cancel the current unfinished procurement exercise and to award a new contract for the continuation of the Post Office card account directly to Post Office Ltd, within the terms of the relevant EC regulations. The contract will run initially from April 2010 to March 2015 with the possibility of an extension beyond that.

I recognise, of course, that this decision will disappoint those other bidders who had reached the final stage of the competition. I want to emphasise to the House, as I have done to them personally, that my decision does not reflect in any way on their ability to have provided the services in question. Nor is it a step we have taken lightly. We recognise the importance of competition in the awarding of public contracts, but we have concluded that, in these circumstances, protecting vulnerable groups by preserving a viable Post Office network justifies the award of a contract outside the competitive process. These are exceptional times and we believe that this is a proper and proportionate response. The Post Office considers that this decision, along with the extra money invested by this Government, will ensure a commercially viable future for the post offices that will be in place after the modernisation and network change programme is complete.

I said that I would make a decision as soon as I could. I said that I would not rush the decision. I said that what was important was that we made the right decision. I believe this is the right decision. It is good news for our constituents, good news for Post Office Ltd and good news for sub-postmasters. I trust that it will be welcomed by hon. Members, and I commend it to the House.

Alan Duncan (Rutland and Melton) (Con): May I thank the Secretary of State for an advance copy of the statement?

Although this is a work and pensions contract, it of course has massive implications for the Post Office. My hon. Friend the Member for Epsom and Ewell (Chris Grayling) is in the midlands today, so I am pleased to take his place at the Dispatch Box.

Today's statement is disarray dressed up as decision. The announcement is long overdue. We expected it in July, we were promised it for October but we have it only now. It is clear that the Government were looking for every possible way of giving the contract to someone other than the Post Office, but in the end, they simply did not dare. Today marks a great success for those who have campaigned for the Post Office and a humiliating climbdown for the Government who have done everything they possibly could to find a way of awarding it to somebody else.

The Government insisted on having a tender, and today, after months of an expensive process, they have simply binned that tender altogether. Why did the Government not do from the start what the Irish did and award it without a tender? What has changed since the beginning of the process? How much did the aborted process cost? Will the Secretary of State be compensating those other bidders who were not successful?

Is it not the case that the tender terms were a complete mess and opened up the award of the contract to great confusion? Can the Secretary of State confirm that the legal status of the decision is 100 per cent. watertight? Can he tell the House that there is no risk of or scope for any legal challenge from anybody who was not awarded the contract? What is his estimate of the revenue that Post Office branches will enjoy from this new contract compared with the one that currently exists? Is it not the case that the POCA is absolutely essential to some of the most vulnerable, and as unemployment rises—in large part thanks to the Government's incompetence—even through the 3 million mark, that POCA will become even more significant during the economic downturn?

[Alan Duncan]

We have proposed expanding POCA so that it can be used by account holders to pay their utility bills by a form of direct debit, not only ensuring lower tariffs for the most vulnerable customers but giving a £20 million boost to Post Office revenues. Will the Secretary of State pledge to look again at this sensible proposal and undertake to adopt it?

Can the Secretary of State also confirm that the proposed new contract fully complies with all the requirements and stipulations laid down by the EU and that the EU has already signified that this is the case? *[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. The House listened with courtesy to the Minister and I think it should do the same for the Opposition spokesman.

Alan Duncan: We are still waiting for the results of the Hooper review into the future of the Royal Mail, which will have serious implications for the whole network, but this keeps being delayed too. Will the Minister confirm when the Hooper report will be published?

Over the last two years, the Government's handling of the Post Office has undermined its business, and caused painful turmoil and growing pain for postmasters and communities. We have seen the compulsory closure, on a highly arbitrary basis, of thousands of branches. The new Secretary of State for Business, Enterprise and Regulatory Reform, who is unaccountable to this House, has spoken recklessly of privatising the Post Office. His letter to the Prime Minister has been leaked, *The Guardian* has been briefed and the talk of opening up the post office to greater financial services is exactly the policy we have been advocating for two years, but which at every turn the Government have opposed.

Post offices, communities and many of the country's most needy people will today be breathing a sigh of relief that the card account has been re-awarded to the Post Office, but they will know that the Government have been shamed into taking this decision from a mixture of internal weakness and division in their own ranks. This is not a success for the Government, but a triumph for which campaigners deserve the credit.

James Purnell: I wish that, just once, the Opposition would come to the House and say that a decision is the right one; they could have said they supported this decision and that they would now get on with supporting post offices. The hon. Gentleman took churlishness to new levels, I think, but I will nevertheless try to answer his questions.

This is the right decision for our customers and for communities around the country. Unfortunately, I thought that the hon. Gentleman was trying to unpick the decision rather than saying that it was the right one and moving forward. I am glad to be able to say that the decision will not be unpicked, and I will answer his points in order.

The hon. Gentleman asked whether the decision required EU clearance. We do not believe that it does, and we believe that it complies with EU law. The decision has been properly and legally taken. He asked whether we would be compensating the companies that were not the successful bidders. We will compensate their reasonable costs. That is the appropriate thing to do and there is no reason why we would not do it. It is a good deal for taxpayers and means a better service for customers. The exact amount is commercially confidential and that is exactly the way in which these things are done.

The hon. Gentleman spoke about direct debits. I am reliably informed that if we had moved towards the policy of the Opposition, this decision would not have been possible. The point that he has made would have made the award of the contract to the Post Office much more difficult. It is because of our policy that we are able to award the contract to the Post Office. He accused us of disarray, so I shall tell him what the disarray was—the situation that we inherited from his Government, whereby the only policy was the benefit payment card, which was millions over budget and years behind schedule, so we had to cancel it.

When one hears the hon. Gentleman speak, it sometimes sounds as if the POCA is a venerable British institution that has been around for decades, but as my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) pointed out earlier this week, it is something that this Government created. We have now renewed it and we are awarding it to the Post Office, and I just wish that the hon. Gentleman had supported our decision.

Kate Hoey (Vauxhall) (Lab): The Secretary of State will know that although some people will feel that this decision could have been taken a lot earlier, it will result in widespread relief across the country—relief felt by sub-postmasters, the national pensioners action group, members of the Communication Workers Union and the all-party group on post offices; we have all campaigned so much for this to happen. Does he agree that although the decision provides a breathing space for the Post Office, now is the time to get government business and local authority business back into our post offices, and to have the Post Office as a proper bank?

James Purnell: My hon. Friend is right to say that this is a vital decision for customers, particularly vulnerable customers, who depend most on the Post Office. She is also right to pay tribute to the campaigning done by Labour Members, who have been making their point in the appropriate way. As she said, we are examining how we can find further services for the Post Office to provide, and as I said to my hon. Friend the Member for Chorley (Mr. Hoyle) earlier this week, we will bring together a group of MPs to do exactly that.

Jenny Willott (Cardiff, Central) (LD): I thank the Secretary of State for advance notice of the statement. I wish to make it clear from the outset that the Liberal Democrats are delighted at today's decision. It is good to see that the Department for Work and Pensions has listened to the vociferous opposition to the possible loss of the Post Office card account that has come from all parts of the House and from outside it. I understand that 2 million people signed a petition requesting that the POCA remained with the Post Office. Today's decision could also be seen as a response to the Liberal Democrat Opposition day debate on Monday.

Today's statement is a strange way of going about the decision. Cancelling the procurement exercise raises huge questions, some of which have been asked by the

hon. Member for Rutland and Melton (Alan Duncan). I should be grateful if the Secretary of State clarified why the Department decided to cancel the contracting exercise rather than award the contract to the Post Office. Does it mean that the terms of the tender would not have allowed the Department to award the contract to the Post Office? To enable us to make our own decision on that, will he release the specifications, the invitation to tender or negotiate, and the descriptive documents, which the Government have refused to release up to this point—indeed, on Monday, he again said that he would not be able to release them. I would be grateful if he made them public now.

The Secretary of State said that he has decided to award a contract for the continuation of the POCA within the terms of the relevant EC regulations. If he can do that now, why could he not have done it before or why did he choose not to do so? I would be grateful if he clarified that point. The reasons that he gave for the decision relate to the current economic climate. What is it about that climate that means that the Government can now reconsider? This situation leads to the suspicion that as 1,500 jobs are being lost every day in the UK, he knew that the Government could not afford to close a further 3,000 post offices—at least—with all the accompanying job losses. Will he tell us exactly what has changed?

The Secretary of State also said that he believes that it is not the time to do anything to put the network at risk, particularly as post offices are often the only provider in rural and deprived urban areas—that is what the Liberal Democrats have been saying for the past two years, as have a number of Labour Members. As that was the case when the Government decided to put this out to tender—it remains the case—what has brought him around to our way of thinking and to deciding that now the Post Office does need to be saved? Why did he think last week that it was okay to risk the only providers in those deprived areas, but that now it is not okay to do so?

As the hon. Member for Vauxhall (Kate Hoey) said, the DWP has behaved appallingly so far on this matter; there has been delay after delay. This has been going on for nearly three years and the decision was 11 months overdue. That has caused huge stress for POCA customers, sub-postmasters and all who are concerned for their community facilities. Why has there been such a delay? It also raises issues about the cost of the process and the waste of money involved. Legal questions have already been posed about changing the competition rules halfway through the process, but this has been a waste of money not only for the bidders that did not receive the contract, but for the post offices and the Government. The Secretary of State has said that he will be providing compensation, but will he finally give us an estimate as to how much money has been wasted? Why is the amount of compensation considered to be commercially confidential? Nevertheless, I welcome today's announcement and the saving of post offices.

James Purnell: I think that that was the sound of "Focus" leaflets being pulped in their thousands. This is the right decision, and I am glad that, at the very end of her questions, the hon. Lady acknowledged that. We all know that the Liberal Democrats will want to take credit for this. She says it is their way of thinking, but the truth is that they were so confident of their way of thinking that they tabled a motion that was written by my hon. Friend the Member for Chorley (Mr. Hoyle). It was not their way of thinking at all, but that of Labour Members. We were glad to see the Liberal Democrats voting in support of his motion this week, but as we know, it had been overtaken by the changes that we had made in response to the lobbying and campaigning on behalf of their constituents carried out by my Labour colleagues.

The hon. Lady asked me what has changed. What has changed is that there has been a significant reduction in confidence about financial transactions, and people have turned to the Post Office because of its trusted brand. The Post Office provides a service that is not only a banking service, but a social service, and that becomes even more important when people are worried about financial circumstances. In the light of that, we commissioned legal advice, which has said that this is the right way for us to proceed. The truth is that for all the heat and bluster, everyone in this Chamber agrees that this is the right way forward.

The hon. Lady asked whether we would release the information about the tender, but as the tender has not been completed, it would be inappropriate to do so. As she knows, the advert in the *Official Journal of the European Union* has been placed in the Library, and she is welcome to look at that. I am sure that she will enjoy reading it. As I said to the hon. Member for Rutland and Melton (Alan Duncan), this is value for money, and it is the right decision for our customers, for taxpayers and for post offices. It gives them certainty to plan up until 2015 and allows Labour Members to concentrate on building a viable post office network.

Mr. Lindsay Hoyle (Chorley) (Lab): This is a great day for common sense, and I wish to thank the Secretary of State for taking the right decision. I thank him on behalf of my constituents, and the vulnerable and the pensioners who use the POCA, and I thank the sub-postmasters and sub-postmistresses throughout the breadth of the United Kingdom for the campaign that they have led. Of course, the Select Committee on Business and Enterprise report has done a lot to advise the Government on the role that they have played. I welcome the decision and look forward to the setting up of the taskforce, which will take us beyond 2015 to ensure that post offices in the United Kingdom have a viable and sustainable future.

James Purnell: I thank my hon. Friend for his kind works, and I pay tribute to his campaigning, along with that of many Labour colleagues. I also pay tribute to the Chairman of the Business and Enterprise Committee, as it has played an important role in examining this issue, and to the Treasury Committee and its Chairman, as it, too, published an important report. My hon. Friend is right to say that we should also pay tribute to the campaign run by sub-postmasters; they have left nobody in any doubt about the importance of this account and of the network. I reassure him that my colleagues in the Department for Business, Enterprise and Regulatory Reform will be writing to him shortly about the task group that we agreed.

Peter Luff (Mid-Worcestershire) (Con): I hope that the Secretary of State will not think that I am being churlish if I say that the words that are haunting me

[Peter Luff]

today are the powerful words from St. Luke about there being more joy in heaven over one sinner that repenteth. I genuinely welcome today's announcement, and I am glad that the right hon. Gentleman has listened to the advice of my Committee, the Treasury Committee and the whole House on this matter. The hon. Member for Vauxhall (Kate Hoey) is right: we now have the opportunity to debate the future of the post office network and put it on a sustainable footing.

Does the Secretary of State understand that his Department still has one very important responsibility—to ensure that its agencies get fully behind the POCA? Many of us are very concerned by the attitudes taken, especially by the Pension Service, in that respect.

James Purnell: I thank the hon. Gentleman for his kind words. He is right to say that this service is vital to my Department and we want to ensure that people take it up appropriately. He has brought to my attention a few instances in which that was not the case, and we have addressed them and ensured that our training is appropriate. We now have a good basis on which to move forward and ensure that the POCA serves the most vulnerable people in our community, as well as that the post office network can grow on the basis of the certainty that it provides.

John McFall (West Dunbartonshire) (Lab/Co-op): In the light of the equivocation from Opposition Members, I wish to welcome this proposal clearly and unambiguously on behalf of the Treasury Committee. Two years ago we called for the successor to the POCA to be run by the Post Office, so this is excellent news for rural and low-income communities. I have spoken to Post Office executives, and they believe that these funding proposals should be the last and that, by 2015, the service should be a universal, stand-alone bank. I am looking for a commitment from the Government to that, as well as a recommendation for a cross-departmental approach to financial inclusion, so that the Post Office can play its part in that.

James Purnell: I know that that is the intention of the Post Office, and it will make it clear that this decision provides the basis on which it can plan for that future with certainty. My right hon. Friend makes an important point about financial inclusion, and we will work closely—especially with the Treasury, but also with other Departments—to ensure that both the Post Office and credit unions can play their part, alongside the banks, in improving financial inclusion. We want to ensure, especially in the run-up to Christmas, that people are not vulnerable to the excessive loan rates charged by credit companies.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Many hon. Members are seeking to catch my eye. I will endeavour to accommodate as many as possible, but it would be helpful if we had one brief question from each Member and hopefully a brief answer from the Secretary of State.

Mr. David Curry (Skipton and Ripon) (Con): This is exactly the right decision for the large rural constituency that I represent, and I am sure that we are all grateful to Lord Mandelson for it. Does the Secretary of State recognise that it comes against the background of a significant post office closure programme and that if there is constant attrition, it will not matter what services are offered because there will be no post offices to offer them? Will he ensure that the longer-term programme is based on a minimum level of post offices? If not, it simply will not be viable.

James Purnell: I believe that the right hon. Gentleman's Front-Bench spokesman said in March that he fully expected the network to shrink, and that is the reality that people recognise. It has been a difficult but necessary process that has put the Post Office in a viable position from which it can make progress. As I made clear in my statement, the Post Office believes that the decision will enable it to preserve a level of post office provision after the network change programme is completed. It is also worth saying that this Government introduced access criteria for the first time, and they provide exactly the sort of undertakings that the right hon. Gentleman seeks.

Ann Clwyd (Cynon Valley) (Lab): This is the right decision and thousands of people in my constituency who wrote to me about this issue—especially pensioners—will be delighted by the news. It is a pity that the Opposition were caught on the back foot and cannot even bring themselves to say that it is the right thing to do. I can think of other political parties that will have to pulp their literature on this subject.

James Purnell: My right hon. Friend has campaigned very hard on behalf of her constituents, and I am glad that she welcomes the decision. I am sure that various parties will have to pulp all sorts of materials.

Mr. Hugo Swire (East Devon) (Con): Yes, this is the right decision, but it was a waste of time and money to have the tender in the first place. The most important aspect of the Secretary of State's statement was about protecting vulnerable groups by preserving a viable post office network. That represents a sea change in Government thinking and is a welcome response to the poverty of imagination that has surrounded the future of that network. Given that the Secretary of State now recognises the vulnerability of many—especially the elderly—in these changed financial circumstances, is it not time to revisit the recent round of closures and allow some post offices that have been closed by the Government to make a new case?

James Purnell: It is not a sea change. What has changed is the approach taken by the hon. Gentleman's Government, which the Chairman of the Select Committee outlined. That approach led to under-investment in the network in the 1990s. Money was taken out of the network then, but this Government have invested in it to ensure that it is viable. That is why we put in £0.5 billion into the IT system, which has enabled post offices to expand their services—for example, they are now the main provider of currency services. This Government introduced the POCA, and we have now awarded the contract to the Post Office. I wish that the hon. Gentleman had welcomed that.

Lynne Jones (Birmingham, Selly Oak) (Lab): Sometimes it has appeared as though my right hon. Friend's Department was seeking to close down the Post Office card account for short-term gain, so I very much welcome today's announcement, especially as it will enable me to use my Post Office card account to receive my state pension in 2012. It is not just vulnerable people who use it—I do not think of myself as vulnerable, despite my position on the Back Benches. Can my right hon. Friend assure the House that the Government will seek to expand the services available at post offices along the lines recommended by the watchdog, Consumer Focus, which I raised with the Prime Minister yesterday?

James Purnell: Yes, I can give an assurance that we will work to expand the range of financial and other services that are available. I know that that is something that the Post Office also wants to do.

Hywel Williams (Caernarfon) (PC): We on my Bench welcome this decision, however much we regret disappointing our printers. *[Laughter.]* What steps will the Government take to persuade the BBC, the Driver and Vehicle Licensing Agency and others to return their business to the Post Office?

James Purnell: The decision by the BBC was its decision, and I am glad that that the hon. Gentleman acknowledges that—unlike the Liberal Democrats earlier this week. As a way of supporting the Post Office, perhaps he could mail out some different leaflets to his constituents over the next few weeks.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Many good ideas have recently come from our constituents, and I warmly welcome the decision on behalf of the 14 post offices and all their customers in my constituency. However, it will be important to understand the exact nature of what can and cannot be done, especially when it comes to water poverty and fuel poverty, and the advice that can be given to constituents. Will my right hon. Friend undertake to meet a group of Members of Parliament to explain from his Department's point of view what can be done, so that we can rule out what cannot be done and get on with supporting the post offices in our constituencies?

James Purnell: Yes, from my Department's point of view, we will be happy to have such meetings, and I am sure that other Departments will also be happy to do so. I certainly recognise that my hon. Friend has campaigned assiduously for her 14 post offices.

Mr. James Arbuthnot (North-East Hampshire) (Con): I am delighted that when the Prime Minister yesterday said "in due course", he meant tomorrow. Will the Secretary of State accept that many of us do not mind U-turns, however screeching, as long as the car ends up pointing in the right direction, but because of the uncertainty of the past many months, many post offices have faced increased difficulties? What can he do to help them by pointing new business the way of the post offices?

James Purnell: Had we not wanted to have a contract, we would not have had a process to create it and we would not now be awarding it to the Post Office, so this is the opposite of a U-turn. It is precisely because we are committed to the POCA that we decided to create the contract and now to renew it. The right hon. Gentleman is right that we should now look at how we can bring other services into post offices, and that is exactly what the task group will do. If he has any suggestions, we would be happy to look at them.

Mr. David Drew (Stroud) (Lab/Co-op): This is welcome news in rural areas. Although it has taken a long time to come, it is entirely the right decision. Can we now look at ways in which we can advertise and encourage the use of the Post Office card account? Those of us who have a Post Office card account find it a useful way of being able to draw out money. I am sure that all postmasters and mistresses would now want to see a full-scale campaign to show that the account is the right way for many people to draw out their money.

James Purnell: As my hon. Friend will know from the debate on Monday, we have agreed to look at our literature to ensure that exactly that is done. However, advertising Post Office services is primarily a matter for the Post Office. As an account holder, my hon. Friend will be glad to know that the new Post Office card account will offer improved services and functionality, so it will be even more helpful than it was in the past.

Mr. Nigel Dodds (Belfast, North) (DUP): I warmly welcome the decision announced today by the Secretary of State and thank him for listening to many millions of people up and down the country, not least the vulnerable and elderly. Can I urge him to look speedily at the expansion of financial and other services that will be made available through the post offices and to come to this House with some real decisions as quickly as possible?

James Purnell: Yes, the hon. Gentleman can do that. That decision would be primarily for the Department for Business, Enterprise and Regulatory Reform, but if his party has any suggestions, we would be happy to look at them.

Andrew Miller (Ellesmere Port and Neston) (Lab): In welcoming my right hon. Friend's statement, may I refer him to his mention of the vital social service offered by post offices? There are a number of examples up and down the country of post office staff who have gone beyond the call of duty to ensure that a real social service is delivered, particularly to the elderly and infirm. Will he discuss with his hon. Friends in the Department for Business, Enterprise and Regulatory Reform how we can develop that expertise and identify best practice so that we can expand on that incredible social service?

James Purnell: That is absolutely right. Many of our constituents look forward to their visit to the post office as a key part of their week. For example, one of my constituents, Idu Miah, who runs the post office in Mossley, is right at the heart of his community. It is important that we should develop that, and I am sure that the Post Office will want to spread the already very good practice as widely as possible around the network.

Andrew Stunell (Hazel Grove) (LD): On Monday, the Secretary of State spoke strongly in favour of a Government amendment that said that all Government Departments

[Andrew Stunell]

should give publicity to how their services could be accessed at post offices. Will he give an undertaking that what he has said today applies to other Government Departments and agencies, particularly the Driver and Vehicle Licensing Agency, which has a conflict between its internal target of getting people to use its electronic system and the need to support the Post Office?

James Purnell: Of course, people can renew their tax discs through 4,000 post offices. That approach applies to the whole Government.

Ms Sally Keeble (Northampton, North) (Lab): I very much welcome my right hon. Friend's announcement. When he looks at extending services, will he look in particular at allowing women to access child trust funds through the post office? That would mean that isolated young mothers could take their baby bond vouchers to the local post office to get their child trust fund, instead of having to go into town to a bank. It would make a big difference to social exclusion and child poverty figures.

James Purnell: My hon. Friend has been an ardent campaigner for her post offices, and we will certainly consider that suggestion. I shall respond to her about whether that can be done.

Greg Clark (Tunbridge Wells) (Con): Postmasters, postmistresses and customers in the remaining post offices in my constituency will be relieved at the announcement, although they are owed an apology for the months of uncertainty that they have had to endure. The Secretary of State talked about increased functionality. Will he allow people who do not have a bank account to make direct debit payments for their utility bills through the Post Office card account, thereby allowing them to access cheaper tariffs that could save them £100 a year or more on their energy bills?

James Purnell: I do not know whether the hon. Gentleman was in the Chamber during my statement, but if we had done that, this decision would not have been possible or at least would not have been so easy to take. Today's decision would have been made more difficult, rather than easier. I am not sure that he wants to argue for that. It is perfectly possible for people to have bank accounts at the post office that offer direct debits, and obviously that choice is open to them.

Clive Efford (Eltham) (Lab): Will my right hon. Friend confirm that this contract does not start until 2010 and that those people who are accusing him of having delayed the decision need to understand the process in which we have been involved? It is imperative that Government agencies and local government direct services through the post offices if they are to be sustainable in the future. Can my right hon. Friend say whether today's announcement means that there is a moratorium on planned closures? Will any sub-post office managers who want their post offices to remain open get an opportunity to restate their case? Many communities could benefit from the future arrangements for the Post Office that my right hon. Friend envisages if those post offices remained open.

James Purnell: My hon. Friend is right that this provides the post office and sub-postmasters with certainly through to 2015 and, potentially, beyond that. That is exactly what Labour Members have been calling for. He is also right that local government has a key role to play, and we would encourage councils to make their services available through post offices. On his final point, the Post Office has said that this announcement, along with the subsidy, will allow it to preserve the network after the network change programme. Any individual decisions are clearly part of the process that has already been set out.

Mr. Brian Binley (Northampton, South) (Con): I was proud to be on the Select Committee on Business and Enterprise, which played a major role in encouraging the Secretary of State to change his mind. I am grateful that he has done so. However, he announced greater functionality for the card. Will he explain a little more about that, on the basis that we have been pushing for greater functionality throughout this exercise?

James Purnell: As I have said, if we had listened to the Conservative party, we would not have been able to make this decision—or it would have been difficult. I am happy—*[Interruption.]* If the hon. Gentleman will listen, I will answer his question. There will be a simpler opening process for Post Office card accounts. There will also be a facility to correct mistakes, for example if too much money is taken out. The exact decisions about how that should be done are for us and the Post Office to negotiate. That is exactly what we will do, and the Post Office will take forward.

Mr. Gordon Marsden (Blackpool, South) (Lab): I congratulate the Secretary of State on a decision that will be of great benefit to my sub-postmasters and to the above average number of people in the POCA-using category in Blackpool. In the interests of being more proactive about future use of the Post Office, will he ask his officials to consider the possibility of the use by the Post Office of new and innovative products that are brought forward and marketed by his Department? That should also include discussions on any ideas that come forward from the trade unions.

James Purnell: Yes, we can absolutely do that. One new area of potential business is ID services. I know that the Post Office is interested in that. At this stage, no guarantee can be given by the Government, but we know that if either of the other two parties were in government, the Post Office would not have the chance to offer those ID services, because both main Opposition parties are opposed to that policy.

Anne Main (St. Albans) (Con): In my constituency, we have lost five post offices, and that was opposed by all political parties, so it is not something that only the Government have a handle on. I noted with interest that in his statement the Secretary of State said that the post offices give a vital social service. That was exactly the point that was made by my constituents, but it did not cut any ice when it came to the round of cuts that we are now seeing. If the Government are going to say that it is an objective to deliver a valuable social service via the Post Office, how will they support that?

James Purnell: We are supporting it by putting £1.7 billion into the Post Office, which the hon. Lady's party never did, and through the decision that we have taken today. If she wants to be churlish, that is entirely up to her.

David Taylor (North-West Leicestershire) (Lab/Co-op): As a member of a family who for several generations ran the post office in my village of Heather in north-west Leicestershire, I welcome the announcement, although that post office was closed in February because of the reorganisation proposals. Is the Secretary of State aware that a good number of post offices in rural areas remain on the financial brink and need greater support? Will he confirm that, although a good number of older people particularly are unable to use bank and Post Office card accounts, the option to have cheque payment will continue and will be better promoted?

James Purnell: I recognise and pay tribute to the role that my hon. Friend has played in this House in relation to post offices, and to his understanding of the subject. Paying by cheque has a number of disadvantages, and is particularly open to fraud. We are considering how we can have a system that will fulfil the same goals, but in a more effective way for the customer. We are working through the process to achieve that. We will commit to delivering that outcome, although it might not be done through cheques because of the particular problems that they cause.

Dr. Richard Taylor (Wyre Forest) (Ind): May I add my congratulations to the Government on actually listening to people and taking the right decision? This is good news for many people, but not so much for those who can no longer cash their card account because a branch is closing under the network change programme. Is there any chance of an appeal against specific branch closures?

James Purnell: As I am sure the hon. Gentleman knows, there is an appeals process in the network change programme, and indeed some decisions have been overturned. However, I thank him for his kind words, and I shall be happy to write to him to set out the appeals process if he is not aware of it.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): This is a very welcome decision, especially for rural areas such as my constituency of Staffordshire, Moorlands. I thank my right hon. Friend for listening to my constituents and to those of all hon. Members. The Post Office is a trusted brand in itself, but the people who run sub-post offices are seen as very trusted advisers to the elderly and vulnerable. My constituents tell me that they trust their sub-postmasters and sub-postmistresses as sources of advice who will do everything to help them with their bills. Will he therefore look at the possibility of encouraging post offices to help with the take-up of tax credits, and especially pension credits? Will he also extend the financial products that they are able to offer, especially to vulnerable people?

James Purnell: That is a good suggestion, and I am sure that the task group will want to look at it. I shall also ask my officials to look at it, but I want to pay particular tribute to my hon. Friend for the campaigning that she has done on behalf of rural areas. We have listened to the views that her constituents have expressed to her, and I am glad that she welcomes today's decision.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): The Secretary of State has said that he will not disclose the amount of money to be paid in compensation to failed bidders, but his Department will have incurred considerable expense in the tender process. There is nothing commercially confidential about his Department's expenditure, so will he tell the House how much money it has spent in the tender process? If he does not have the precise figure to hand, I shall be happy to receive an undertaking that he will write to me with it.

James Purnell: The point about expenditure is about the contract going forward, and the amount spent dwarfs any process issues. The deal is a good one for the taxpayer and for customers.

Kerry McCarthy (Bristol, East) (Lab): I too welcome this announcement very much, as will the hundreds of my constituents who have written to me about it. I chair the all-party group on credit unions, and I have just written to Lord Mandelson to see whether we can explore how credits unions can use the Post Office network to make their services more available, especially to people in remote areas. Will my right hon. Friend undertake to talk to Lord Mandelson to see how we can move those issues forward?

James Purnell: Yes, that is a very important point. The Post Office's reach is clearly wider than that of credit unions, even after their growth under this Government. My hon. Friend is right that credit unions play a vital part in providing the services and advice that help people to get out of debt and improve their financial affairs. I have seen very clearly how credit unions in my constituency have literally turned around the lives of hundreds of my constituents. My ministerial colleague the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Burnley (Kitty Ussher), will be happy to meet my hon. Friend to discuss exactly how what she proposes can be done.

Mike Penning (Hemel Hempstead) (Con): I and thousands of my constituents have written in good faith to the Secretary of State over the past few months because we have been worried about the card account and the future of local post offices, both urban and rural. Sadly, while the decision was being made, three post offices in urban and rural parts of my constituency closed, but that decision has been made and I am now worried about the future service. Will the right hon. Gentleman give some indication of the revenue streams under the new contract? Will they be different from those under the previous contract? If so, is the new contract better or worse than the old one, as that will have an effect on the marginal post offices in our constituencies?

James Purnell: Clearly, that is a matter for the Post Office, and it depends on how many card accounts are opened. I know that the hon. Gentleman cares about this issue, but the terms of the contract have to be confidential. Even so, it is important that we look at how we can get other services into post offices so that they can become viable. That is exactly what they have asked for, and it is what they are committed to achieving.

Ms Katy Clark (North Ayrshire and Arran) (Lab): I warmly welcome today's announcement, and it is clearly the right decision. My right hon. Friend will be aware of recent media speculation about the possibility of an attempt to privatise Royal Mail, which would have a negative impact on the Post Office network. Is he able to give any reassurances today that no such proposals are being considered?

James Purnell: As my hon. Friend knows, and as Lord Mandelson confirmed earlier in another place, the Hooper report, to which I think she is referring, will be published very soon.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): I hope that the Secretary of State will join me in paying tribute to Mervyn Jones, who is a constituent of mine—indeed, my next-door neighbour—and also president of the National Federation of SubPostmasters. He and his colleagues around the country deserve a great deal of recognition for their work in briefing Members of the House on this matter, and I welcome the decision that the right hon. Gentleman has taken.

However, notwithstanding the Secretary of State's answers to previous questions, all the sub-postmasters and sub-postmistresses who are grateful for today's announcement will now be worrying about how much they will get per transaction. Will he come clean about that, and put their minds at rest?

James Purnell: We have yet to award the contract to the Post Office. Clearly, we will be in discussions and negotiations about that, and that is the right way to proceed. We have made it clear that we will be awarding the contract, which will give people certainty between now and 2015, but the hon. Gentleman is right to say that we should recognise the work that sub-postmasters and sub-postmistresses do. I am sure that he will join me in congratulating George Thomson on the work that he has done as general secretary of the National Federation of SubPostmasters, along with all of his members.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): May I thank my right hon. Friend for listening to his fellow Labour Members of Parliament and for deciding to extend a service that was created by a Labour Government? We have spoken on behalf of our constituents, who include sub-postmasters, and we hope that today's decision will foreshadow greater strength and more services in our post offices. May I thank him on behalf of the 8,000 of my constituents who are Post Office card account holders—and on behalf of the 6,000 constituents in the constituency of Manchester, Withington, whose Member of Parliament is once again absent from discussion of these matters?

James Purnell: My right hon. Friend made a very good speech on this matter on Monday, and indeed pointed out that the hon. Member for Manchester, Withington (Mr. Leech) was not present then. It is a shame that he is not here now, but I am sure that there is a good reason for that. However, my right hon. Friend is absolutely right to say that it was this Government who created the Post Office card account, and that is why we are so strongly committed to it.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I welcome the Secretary of State's commitment to supporting POCA in the future, but one criticism of the scheme is that it is very difficult to open an account. Can the right hon. Gentleman give us a commitment that in future the POCA will be the easiest option rather than the last resort? If he can, there may be substance to his announcement today.

James Purnell: The hon. Gentleman is right to say that we need to make opening an account as easy as possible. It is already easier than opening a bank account, but the new contract will make it even easier. Both the Post Office and the Government are committed to that, and will work together on it over the next few weeks and months.

Mr. Alan Reid (Argyll and Bute) (LD): I welcome the Secretary of State's statement and his commitment to ensuring that it will be easier to open an account, but I hope that we will not have a repeat of what happened in 2003 with the complicated migration process. Will pensioners who have an account at present keep it automatically without having to go through a migration process? Also, will the right hon. Gentleman make a commitment that he will write to those pensioners who applied for an account in recent months but who were refused and told that, unless they supplied their bank account details, they would not get their pension? Will he write to them and offer them the opportunity to open a POCA?

James Purnell: We did not write to pensioners saying what the hon. Gentleman claims, and we have not asked any POCA holders for bank account details. One isolated letter was sent out by mistake, and we have apologised for that. However, I can give a commitment that we will ensure that people do not have to change their accounts. One of the virtues of this decision is that people already know how to use their POCA and are used to going to their post offices to do so. That is one of the reasons why we have taken this decision.

Malcolm Bruce (Gordon) (LD): This is clearly the right decision, although I suspect that Lord Mandelson has cast a long shadow over it—assuming that he casts a shadow. Is it not time to end the attrition against the Post Office network and to start building it up with new services? May I suggest that the Government start by using their impending shareholding in the Royal Bank of Scotland to instruct that bank to use the Post Office network and to allow its customers to do so as well?

James Purnell: The right hon. Gentleman made the same claim earlier this week, but actually the RBS already offers that through its accounts. *[Interruption.]* It does; I will happily write to him about it. One is a basic account, and the other is a current account. I am afraid that he was not in the Chamber when I wanted to make that point earlier this week. I am happy to be able to give him that information.

Mr. Philip Hollobone (Kettering) (Con): This is the right decision, and the hundreds of residents in the Kettering constituency who sent in their campaign postcards will have played their part in changing the Secretary of State's mind. Will he ensure that all the social security

benefit and pension application forms that his Department issues highlight the Post Office card account as an attractive means of payment of those benefits, instead of mentioning it in the small print at the bottom of the page?

James Purnell: As I said earlier, we are looking at how we market the POCA. It is an important service, which is why we are renewing it. We have made exactly the change that the hon. Gentleman suggests in, for example, the leaflet that goes with our letters about cheque accounts. I hope that he will welcome that.

Steve Webb (Northavon) (LD): Will the Secretary of State clarify something about his statement? He said: "On the basis of the legal advice that we received at the time"—that is, in 2006—"we put the contract out to tender." He has now decided that he can cancel the tendering process. Either the advice that he received was wrong, or the legal position has changed. Will he clarify which it is?

James Purnell: If I may dare to paraphrase Keynes, when the facts change, the legal advice becomes different. The facts have changed, as I explained in my statement. There has been a major change in people's attitudes to financial services. There has been a significant increase in people's concern about them. Given the vital social and financial importance of the Post Office, the legal advice is that we are taking the appropriate, legal way of proceeding. I am glad that the hon. Gentleman welcomes the decision that we are taking.

Mr. Andrew Pelling (Croydon, Central) (Ind): Croydon residents will welcome this news. I am sorry to be churlish on a good news day, but they wait a very long time in queues that spill out of the very large post office in the centre of Croydon into High street, as so many post office branches have been closed. Bearing in mind that we are now taking a new, fresh, radical approach, would it be possible to spend just a fraction of the money spent on bailing out UK banks on post offices? As we have crossed the Rubicon and made a public sector investment in banking, surely this is the time to invest in post office branches, and to have a fresh, new bank, free of bad debts, and therefore better able to stimulate growth in our economy?

James Purnell: The hon. Gentleman will be glad to know that part of the £1.7 billion that we will spend will be invested in the network and the post offices that are there to deliver services to his constituents and others. We have already said that we want to look at the other financial services that are provided, and indeed at other services that the Post Office could provide. He will be glad to know that access to 60 per cent. of bank accounts is available through the Post Office.

Mr. Philip Dunne (Ludlow) (Con): It beggars belief that the Secretary of State can claim that his change of heart it is down to the credit crunch. All the so-called facts that have changed, which he identified in his statement, were known at the outset of the prolonged tendering process. So why did he put all sub-postmasters through the tortuous process, causing them concern about the viability of their business, and all their customers concern about whether they should continue to use the Post Office?

James Purnell: I will tell the hon. Gentleman where the contrast is: it is between the benefit card account that we had to cancel because it did not work, and because it was overrunning and over-budget, and the Post Office card account, which has been a great success, and which we are renewing.

Point of Order

1.23 pm

Mike Penning (Hemel Hempstead) (Con): On a point of order, Mr. Deputy Speaker. While the Secretary of State for Work and Pensions and his team are in the Chamber, may I ask whether you are aware that there was to be an oral statement this morning on the Buncefield situation? I understand that the Government will make a written statement today on the Government's response to the terrible disaster that took place in my constituency three years ago. Even though I have had an opportunity to speak to the Minister in the other place, Lord McKenzie, neither I nor any other Member of this House will have an opportunity to question the Minister or his team on the Government's response to the Buncefield inquiry. I wonder how we can get that issue discussed on the Floor of the House.

Mr. Deputy Speaker (Sir Michael Lord): There are many ways in which the hon. Gentleman might explore his concerns on the issue, but obviously it has nothing to do with the statement with which we have just dealt.

TOPICAL DEBATE

Combating Obesity

1.24 pm

The Minister of State, Department of Health (Dawn Primarolo): I beg to move,

That this House has considered the matter of combating obesity.

It was almost a year ago today that the Foresight programme report served notice of the grave threat posed to health by obesity. That group of eminent scientists claimed that modern society had created an obesogenic environment, which, without radical action, would result in nine in 10 adults and two thirds of all children being overweight or obese by 2050. The prognosis is truly frightening. Within a generation, three in five cases of type 2 diabetes and a fifth of all heart disease cases will be caused by obesity, and for the first time in centuries we face the terrible spectre of some children living shorter lives than their parents unless we reverse current trends.

Yet the prescription, on paper at least, is simple: we all need to eat a little less and exercise a little more; we will then, hopefully, live a little longer. In practice, though, the challenge is rather more difficult. People live hectic lives. Time is at a premium, and so often, exercise or healthy food can be edged out by family commitments, work, a lack of good leisure facilities or a lack of shops that sell fresh food in the area. Fundamentally, making the big lifestyle changes is a question of access, opportunity and will. Those are the issues that we must address emphatically if we want to turn the tide on obesity. The Government have already taken important steps: for example, we have allocated £65 million to NHS primary care trusts to help them to identify, monitor and support obese patients. We have updated the child health promotion programme and expanded the new family nurse partnership programme. In partnership with the children's plan introduced by the Secretary of State for Children, Schools and Families, that will help to support the health and well-being of children and young people.

Working with Ofcom, we have placed new restrictions on the broadcast advertising of unhealthy foods to children, and are continuing to work with industry on the healthy food code to reduce salt and fat content in manufactured foods. But—and it is a big but—changing behaviour is not something that we can do from the Department of Health, Whitehall or this House. We need a lifestyle revolution driven not from above but from below, and embracing all aspects of a person's life. That means that everyone—schools, councils, local businesses, charities and community groups—must play a role in helping people to make space for the little things that can make a big difference.

Mr. Philip Hollobone (Kettering) (Con): The right hon. Lady is making an extremely good point about lifestyle choices and the link with being unhealthy. Does she agree that it is time for the Government and other bodies to once again encourage family meal times, as opposed to the increasing snack culture in which so many young people and adults participate? That is contributing to an unhealthy lifestyle.

Dawn Primarolo: The hon. Gentleman makes an important point. I know that he follows the issue closely. In debate, we have to consider how we engender changes in lifestyle, because we cannot force families or individuals to make those changes. We must consider what sort of partnerships we need to create and sustain to deliver that. I want to go on to give some examples, because he makes an important point. As I am sure he will agree, those changes include taking part in important campaigns such as the "5 a day" campaign, kicking a ball around with the children, ditching the car on the school run, and sharing family meal times, as he said.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will my right hon. Friend turn, at some point, to the influence of commercialisation on food choices? Testing shows that even very young children are influenced by brands. Although young children know what is good for them, they are more likely to be influenced by familiarity, taste, and the visibility of the product in the environment in which they live than by other considerations. How can we reasonably tackle that while remaining relatively liberal, in terms of advertising?

Dawn Primarolo: I am grateful for my hon. Friend's instruction, and I shall come on to give an example of the way in which the Government's leadership role, by providing the framework for action and creating the opportunities and infrastructures for healthy living in our communities, can address those problems. When I do so, and if he does not think that I have answered his question, I shall be happy to give way again.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con) *rose—*

Dawn Primarolo: I am happy to give way to the hon. Gentleman, but then I should like to make progress.

Mr. Vara: The Minister is indeed generous, and is making some powerful points. She spoke about the need to encourage a change in lifestyle, but does she accept that we must ensure that when young people leave school they know how to cook? One of the greatest failings at the moment stems from the fact that people buy pre-cooked food because they do not know how to cook. Changing that would not only be cheaper but healthier.

Dawn Primarolo: I certainly agree, and each intervention has touched on the fact that there is not one, simple solution to the problem; it is about what we eat, where we eat, how the food is prepared, what our knowledge is, opportunities to exercise, the way we arrange our lives, and about making choices. The role of government is to create partnerships, offer choices, and provide information, then support individuals as they seek to make those choices. That is our strategy, and it means anything from improving parks to building more cycle routes; cookery classes in school; encouraging children to do more sport; and working with employers and retailers to make it easier and more practical for people to take more exercise and eat more healthily. What the Government are being told is that people understand what the choices are and want the opportunity to act on what they know, and that is what we have to provide.

As we step back from the foresight report, we must give due prominence to local ideas and local actions—families, individuals and communities taking action. Ultimately, that means we must make sure that what is happening on the ground—in the family, in the parks and in shopping centres—contributes to a healthy lifestyle.

Kerry McCarthy (Bristol, East) (Lab): I thank my right hon. Friend for her generosity in giving way. She will be aware of initiatives in Bristol such as the "Thank you for not driving" campaign, which aims to tackle the school run, and the healthy schools initiative. The other day, I presented an award to St Anne's infants school, which has received a healthy schools certificate. Does she agree that children have a role to play as ambassadors to try to encourage their parents to adopt a healthier lifestyle?

Dawn Primarolo: I certainly agree with my hon. Friend. As a constituency neighbour of hers, I know that Bristol is a cycling city: it is undertaking the "active Bristol" programme and considering how it can improve its parks, provide family-centred facilities and safe corridors for family activities, so that children can undertake that exercise. It is a small step, if the House will forgive the pun, and it also enables children to set an example to their parents.

Of course it is about money, and the Government have invested in such programmes, but it is also about creating a movement. At the centre of what we are doing is the Change4Life movement, which is a huge coalition for better health that brings together many different initiatives under one banner. Returning to the point that my hon. Friend the Member for North-West Leicestershire (David Taylor) made, before I received notice of this debate I was supposed to be in Newcastle for the first Change4Life partnership with local convenience stores, which will help to break a simple barrier to good health: the fact, that in some parts of the country, local shops simply do not stock fresh fruit and veg. The project is about making that easier, by supporting retailers and working with them. The first step is the launch of 12 development stores, which will be provided with funding, so that they can offer such opportunities. By May next year, it is hoped that there will be 120 such stores across the north-east. Assuming that the scheme is successful, it will be rolled out across the country. We have every reason to believe that it will be successful, because similar projects have worked in Scotland.

This is not just one issue—we have to look at wider considerations and say which organisations and agencies must come together to develop and support a wide range of initiatives at community level. What is happening in the north-east is mirrored across England. The coalition is impressive, and 12,000 grassroots organisations are involved in Change4Life, working with leading charities and big high-street names such as Asda, Tesco, Kellogg's and PepsiCo. It is about breakfast clubs, sponsoring sport and making sure that people can make those changes to their lifestyle. Fittingly, a year on from the foresight report, this week we have announced the nine areas chosen to become "healthy towns", receiving a share of £30 million to pioneer approaches that will enhance choices for their local communities and their ability to live a healthy life. Manchester has seen the launch of the Points4Life loyalty card, which rewards

[Dawn Primarolo]

people with free activities or healthy food when they visit the gym or take exercise. Tower Hamlets is running a scheme to persuade shops and restaurants on the main road to the Olympic park to push healthier options. In Tewkesbury, people are developing an urban garden programme which will help residents to keep fit, rebuild green space in the wake of last year's floods, and make sure that they have access to such opportunities.

We must celebrate and encourage that diversity of approach, because obesity is not confined to one social group or area, and we know it is exacerbated by poverty. That also means getting the message across that Change4Life is for everyone: children, busy parents, health professionals, and even hon. Members and, dare I say, Ministers of State. We all need to get involved because we can all benefit. In challenging economic times, when family budgets are under pressure, we must spell out the message that healthy eating does not have to be expensive. In fact, as the hon. Member for North-West Cambridgeshire (Mr. Vara) said, healthy home-cooked food is often considerably cheaper than a takeaway burger or pizza.

This is not about interfering in people's lives, or about creating a nanny state, but we are not prepared to neglect the issues that face us, or hide behind vague notions of nudging people to better health. Quite simply, the cost of inaction and neglect is too great. It is the human cost of 9,000 premature deaths a year because of obesity. It is the increasing economic damage from the causes of rising chronic disease, and it is the cost to our society, rising to £50 billion a year within two generations, if we do not tackle the problem. In the face of those dangers, we need concrete action, not platitudes. Our obesity strategy is a comprehensive, proactive agenda for change, delivered for communities, by local communities, in local communities. I am confident that that will help our nation to shed the pounds, and give us all the chance to lead healthier and more enjoyable lives.

1.38 pm

Dr. John Pugh (Southport) (LD): I am heartened by the Minister's speech and her conclusions, not least because they were similar to those I arrived at, possibly with more detail attached to them.

The problem is known—we have increased levels of obesity; more overweight children; higher risks of cancer, heart disease, diabetes, infertility and early death—and, a bit like the credit crunch, it is worldwide. Most industrial nations, although they vary a little, depending on climate, demography and the national diet, suffer from that problem, and it appears to be concentrated among the urban poor.

The causes are almost universally understood, too, but they are numerous: the mechanisation of labour in the home and in the workplace, which is good and irreversible but has consequences; the availability of cheap, personal transport door-to-door, whether it is to school—the infamous school run—or to work; and the attractions—we should not deny them—of sedentary pursuits, because the computer offers a lot, the TV always did, and the TV with the remote control takes away the necessity of even getting up to change the channel.

We have already mentioned the industrialisation of food production: the ready, microwaveable meal, fast-food production and the decline in home cooking and home food production, which is coupled with the inevitable but contrary rise in the purchase of cook books—regularly bought but invariably not used very much. Further to that, there is the habit, as alluded to in one intervention, of people not eating as families but engaging in activities known as foraging and snacking.

Then there is physical activity and the end of playing out, which used to be such a simple thing. Children would play out in the street in which they lived or in the neighbouring street, but in many cases that is now seen by neighbours as a social nuisance or a threat, and by parents as a personal hazard or social danger, so it does not happen a great deal. If we add to that the reduction in school sports, as extra-curricular activity is squeezed by the need to get good results, we have an increasingly inactive youth population.

Even things as praiseworthy as the Disability Discrimination Acts, which are intended to serve the needs of the disabled, have led to a plethora of lifts, so that able-bodied and overweight people need to go neither up nor down stairs. I am slightly amazed and appalled—the puritan in me is coming out—when I see people in this place who are clearly overweight but take a lift to go one floor down. I feel like commenting, but I restrain myself, and perhaps it is just as well. It does happen, however. We can add to that another social problem, which is the increase in social drinking, because drink, believe it or not, contains calories, and it gives society a huge additional headache.

Some individuals—we do notice them—counteract those factors by efforts of will: they jog in their lunchtime, although jogging along the banks of the River Thames has almost become in itself a social nuisance; and some go to gyms in the evening. But I do not think that anybody can be anything other than fatalistic about relying on heroic acts of individual will, and if we considered more mundane things such as the slimming industry and its value for money, we would arrive at some pretty grim conclusions.

Science offers some, albeit limited, hope. We will understand more about metabolic rates and the tendency of some people to put on weight and others to do so to a lesser extent, and we will get better at identifying risks and diagnosing the physiological and psychological factors in eating and overeating. However, at the end of the day, as the Minister suggested, the cultural changes are sizeable and we might genuinely question whether any Government have the tools to address them because, as we all know, the fundamental problem is that too much of the wrong food is eaten and too little physical activity is undertaken.

My analysis is that the population once stayed fit through what I call inertial factors, that it got fat through inertial factors—it was not a question of people deliberately deciding to behave differently—and that we can only really solve the problem through inertial factors. We can solve it only by creating a climate in which people stay thin—a non-obesogenic environment.

I welcome many of the initiatives, such as better nutritional advice for families, which, surely, has its place. We would be mistaken if we thought people naturally acquired that advice through osmosis; it needs to be taught, and sometimes taught in schools. I also

welcome the educational programmes and the recent more long-term thinking about school dinners and the disastrous effect—I observed this in the past as a teacher—that unguided choice in developing dietary preferences has had. I have seen children walk past salad bars and all sorts of healthy eating options only to go for the pizza and the chips, and the next day do exactly the same—and the day after that as well. However, I worry that if we concentrate too much on children's eating habits and mishandle the issue, we may aggravate eating disorders among children and adolescents, and we want to do nothing of the sort.

I welcome, too, food labelling and simple—

Mr. Deputy Speaker (Sir Michael Lord): Order. I feel that the hon. Gentleman has had his allotted time.

Dr. Pugh: My apologies, Mr. Deputy Speaker; I was not sure whether we changed the Standing Order yesterday. I was not sure whether it had come into operation. May I just conclude by—

Mr. Deputy Speaker: No, no. I am afraid that the hon. Gentleman will have to resume his seat—sadly.

1.45 pm

Alistair Burt (North-East Bedfordshire) (Con): This is an interesting debate that contrasts several modern dilemmas. First, we must recognise that we in this country have the luxury of debating obesity. Most of us have the opportunity to travel around the world, and we go to many places where obesity is not an issue at all, so we should always remind ourselves that in the western, developed world, the subject of the debate might be termed a luxury.

Dawn Primarolo: The hon. Gentleman is looking at the whole question of obesity, but by way of information, India, for instance, has the two extremes in one nation: obesity and those who do not have enough. Regrettably, obesity is not just a European or north American challenge.

Alistair Burt: I take the Minister's point, but India is a developing society and it counts itself as one. If we went to parts of Africa, we would not find that the issue was handled in the same way. I take the Minister's point that obesity affects all nations that have reached a certain status, but, for us, it is a slight luxury to be dealt with.

We have the dilemma of being an information-based society—there is no shortage of information about health, diet and everything else—that takes no notice. It is not a class issue, but the problems are concentrated among the poorest. We have another dilemma whereby the Government do not want to lecture, or to finger-wag, as the Secretary of State said when he launched "Change4Life", but they have to pick up the very substantial bill for a nation that neglects the issue of obesity. The debate is interesting because, as several contributors have said, there is a limit to what we can do about it. However, talking about the issue and raising it is what we do, and it is very important.

I shall concentrate on four points. First, I shall return to the international situation. More than 923 million—perhaps 1 billion—people in the world are hungry. Every day 16,000 children die from hunger-related causes, and every year more than 20 million low-birth-weight babies are born in developing countries, where they risk dying in infancy or growing up with various diseases. If food was left on the side of the plate in Victorian times, the mother or father would pronounce to the child the maxim, "This is needed in some other part of the world. If you were living somewhere else, they would want it." Well, we cannot all do that, and it does not quite translate in the same way, but it should be an issue in this country, and people should be reminded that, when compared with other places, the luxury of food in this country means that perhaps the imperative that we take what we want, but eat what we take, actually matters. There is no harm in introducing that point to the debate.

Secondly, on the Government's role in the provision of information, there is no shortage of information about what obesity means and what we might be able to do about it. Obesity is a contributory risk factor in many chronic diseases: heart disease, stroke, some cancers, type 2 diabetes and so many other things. Obesity and lack of physical activity are risk factors in several major cancers, and, in addition, obese people are more likely to suffer from a number of psychological problems, such as low self-image, lack of confidence, social stigma, reduced mobility and an overall poorer quality of life. Despite all those documented risks, the prevalence of obesity in England more than trebled between 1980 and 2002, which is an extraordinary increase in such a short time. It went from 6 per cent. to 22 per cent. in men, and from 8 per cent. to 23 per cent. in women. The increased prevalence can also be seen in children aged two to 10. Between 1995 and 2003, levels of obesity among children rose from 9.9 per cent. to 13.7 per cent., and the combined overweight and obese levels rose from 22.7 per cent. to 27.7 per cent.

In my area of Bedfordshire, it is estimated that approximately one quarter of the adult population—some 83,000 people—are obese. An additional 40 per cent. of men and 30 per cent. of women there are overweight; perhaps 128,000 people there are at an increased health risk. If trends continue, by 2010 94,000 adults in Bedfordshire will be obese. That is an extraordinary number. The sheer number of obese and overweight people from my area would fill Wembley stadium to bursting point. The national costs of obesity are huge. The Health Committee has estimated them at between £3.5 billion and £4 billion a year; if the overweight are included, the figure rises to between £6.6 billion and £7.4 billion a year. Between 1998 and 2004, there was a seventeenfold increase in the drugs used to treat obesity.

We know the figures, but the lack of interest is remarkable. The Library put together an excellent debate pack. I was struck by Department of Health survey statistics that revealed that just 11.5 per cent. of those with children who are overweight or obese recognise the fact. Only 38 per cent. of adults know that obesity could lead to heart disease, and only 6 per cent. of adults recognise the links between cancer and being obese or overweight.

I suspect that there is a frustration on both sides of the House that so little is done about the information, despite all our efforts and the fact that it is well known. I praise the efforts of the local authorities in Bedfordshire and the primary care trust in setting the appropriate

[Alistair Burt]

targets and in aiming for weight reduction, particularly among children. By 2020, their target is to reduce the proportion of obese and overweight children to the levels of the year 2000. They recognise that, sadly, there is only so much to be done with adults, but that as much as possible must be done with children.

There is a limit to the responsibility of the Government and local government. The provision of information is one aspect of their responsibility and the promotion of active and healthy lifestyles is another. The completion of various cycle ways has made a lot of difference in Bedfordshire. Furthermore, we have schools that are devoted to fitness and healthy food and GPs have joined in the PCT's targets.

I should like to refer to two or three particular things that might make a difference. First, we should emphasise fitness rather than only attacking weight. The hon. Member for Southport (Dr. Pugh) was coming to this point, before his remarks concluded; I sense the direction in which he was going, and perhaps I complete the point that he was going to make. Sadly, due to the nation's obsession with celebrity and how people look, attacking weight is leading to its own problems, as youngsters get caught up with eating disorders and the like. I was struck by a couple of comments in the Library briefing. At a recent British Dietetic Association conference, Claire Mellors, a dietician, said that:

"a real fear of obesity is an emerging and worrying trend...From my clinical experience I would say that as healthy living messages have become more prevalent, there has been a corresponding rise in referrals for children with disordered eating".

Andrew Hill, a medical psychologist at the university of Leeds, has said:

"It is vital that children develop an understanding of why exercise is important. There are risks of inactivity that they do need to know about. But why does it always have to be hung on a peg of obesity? They should grow up enjoying activity, not doing it because it makes them thin."

We have to be careful in balancing the messages and making sure that they get out.

Secondly, we have to be prepared to speak out firmly. I noted the point made by the Secretary of State in introducing Change4Life—that it was not about finger wagging and lecturing. However, on some occasions we are entitled to do that. We are all picking up the bill for obesity, and in some cases people can do something about their condition themselves. We must not move completely away from a sense that the issue is about personal responsibility, as well as about providing opportunities for food, exercise, dieting and everything else. If we continue to produce excuses for everybody and say that it is not their fault, but all a cultural thing, we will not get to the necessary stage at which people accept their personal responsibility and do something about it.

When Jamie Oliver came to give evidence to the House, he was more direct. He said that the issue was not about class or poverty because people had material goods coming out of their ears. The problem was that people had forgotten how to cook and could no longer be bothered to cook. He was very direct and critical, and said things that politicians should say equally clearly. I tell the Minister that she is entitled to wag her finger and tell people that they could do better.

Dr. Pugh: I totally accept the hon. Gentleman's point about individual responsibility, but commercial responsibility is also involved. Many of the food companies that are keen on labelling have retail outlets in which the only things people wanting a bag of crisps or bar of chocolate can buy are a grab bag or a very large bar. The companies know that; it is a sales strategy.

Alistair Burt: That is a fair point. Looking at the commercial practices of companies can lead to difficult issues. On the one hand, they sell goods that people like and enjoy and, in small measure, are good for us—"A little of what you fancy does you good," "Moderation in all things," and so on. Yet when such things are taken to extremes, they cause the very problems that we are speaking about. In addition to the commercial responsibility, there is also the responsibility of individuals, not only when they buy for themselves, but when they buy for others. I want to encourage the Minister: occasionally, a bit of finger wagging may not be a bad thing.

The encouragement of cookery at school level is important, as the Minister knows because I have told her in the House about the kids' cookery school that I have visited. It tries to provide opportunities for youngsters, particularly in poorer areas, to learn more about practical, basic cooking, which can make such a difference to diet and budget. I encourage her to do more on that issue.

My last point about finger wagging and lecturing relates to the fashion industry. As a bloke, I am not attracted to size-zero women. The determination to drive women to a particular size because of the notion that that will somehow make them more attractive to blokes and the world at large is misplaced. We love women of all different shapes and sizes. We love them not because of how they look or are dressed, but because of who they are—their spirit, style, humour and everything about them. We do not need an industry to force women into a box. The fashion fascistas should be lectured on every possible occasion by those who say, "Don't do it for us, because we're not interested."

Finally, I turn to the issue of sport and fitness. I belong to Biggleswade athletic club and I commend all those who work and provide coaching in youth and sporting organisations. I am also president of the sea cadets in Biggleswade and I know that all youth organisations do so much to encourage physical activity, not only for its own sake but for a sense of the fitness and discipline that go with it. As new houses make the populations of areas such as mine larger, having in place a decent leisure strategy for the growing numbers of people becomes essential. They will need to use facilities that are often undervalued and overrun.

I pay particular tribute to Phil Dean, who died last week. He was the motivator behind the recent success of the Biggleswade swimming club and a remarkable man whose very nature, spirit and style said much about the area he came from and his personal determination to see youngsters have the chance to be fit and have opportunities for swimming and fitness in my area. He was a giant of a bloke and will be sadly missed by his family and all those who knew him. However, there are many Phil Deans who work hard as youth coaches and motivators, and we need to encourage them all. We need to help volunteering, including in sport, and encourage our youngsters to be fit, rather than just to lose weight.

In that way, we will make some progress towards the goals that the Government and all in the House have rightly set.

1.59 pm

Mr. David Amess (Southend, West) (Con): I listened carefully to the Minister of State, and I suppose that there was very little that I, or indeed anyone in the House, could disagree with. However, I am disappointed by the degree of seriousness that the Government attach to the subject.

Those of us who become Members of Parliament do not, presumably, come here just to time-serve but to try to achieve something. For instance, when I was proud to pilot through the House the Warm Homes and Energy Conservation Act 2000, which tasked the Government with eliminating fuel poverty, I thought: "Fantastic! Everyone is going to be warm in their homes and fuel poverty will be eliminated." I then found out—although there has been no publicity for this—that the Government took the definition of "eradicate" in the Act to a court of law, where its terms have been overturned despite our discussions and arguments in Committee.

Throughout my time as a member of the Select Committee on Health, the finest report that we produced followed our inquiry into obesity. Of course, I would say that, because it was my idea to have the inquiry. We worked as a team under our excellent then-Chairman, David Hinchliffe, together with the current Secretary of State for Culture, Media and Sport, who was then a member of the Committee, and my hon. Friend the Member for West Chelmsford (Mr. Burns), who was one of the leading lights in our inquiries. The reality is that the Health Committee triggered the national and international debate on obesity.

I say that I am disappointed with the Government's response so far because, as a Conservative, I am not into gesture politics. I said to my colleagues at the time that, as a nation, we need to be serious about obesity. Perhaps we are not serious and we want to fatten everyone up—if so, we are succeeding. As my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) said, the excellent briefing from the Library shows that of the OECD countries, Britain is second to America in the extent of obesity, and rapidly catching up. It is costing this nation £3.7 billion a year to treat people with ailments caused by obesity.

Following its superb inquiry, the Health Committee produced a report, and I want the Minister to tell the House precisely how many of its recommendations the Government have implemented. When I participated in our questioning of the then Minister for Public Health, Melanie Johnson, her responses suggested that the Government were not going to do anything terribly tangible. I said:

"I am thinking about advertising, labelling calories on bottles of alcohol."

Yes, there are calories in alcohol; I saw the Minister nodding when that was mentioned earlier. I went on:

"Is the Government really saying that it is an individual's responsibility and no to legislation?"

Miss Johnson replied:

"We are not saying either of those things. What we are saying is that there needs to be a balance".

Later, I said to her:

"You have told the Chairman that obesity is at the top of the agenda in terms of public health."

So where do we stand now? The Government have recently made two announcements, which, as ever, caught the headlines. The first concerned tackling childhood obesity. We had a great opportunity to do that when our report was published four years ago. Much as I applaud the fact that the four supermarkets are going to work together to tackle childhood obesity, I want to hear a little more from the Minister to convince me that this is not gesture politics and that there will be a sustained follow-up to that announcement. Then we had the healthy towns initiative. Will the Minister explain how those towns were chosen? Were they invited to bid? Do I need to tell off my own town of Southend for failing to put in a bid? It is a great idea, but are these pilot schemes, and how will the Minister decide whether they have been a success?

We drew a number of conclusions in our report, saying finally:

"While we have tried wherever possible to take the food industry at its word, and seen it as 'part of the solution', we recommend that the Government reviews the situation in three years"—

it was published in 2004, so we were recommending that it be reviewed last year—

"and then decides if more direct regulation is required."

On one of the Committee's trips, we went to America, where we met people from all the big names in the food and drink industry. McDonald's, Nestlé, Coca Cola—you name it, we met them. To a woman and to a man, they were in total denial that the responsibility was theirs. All they wanted to emphasise was physical activity. I do not want any of my colleagues to boo from a sedentary position, but I am an unashamed enthusiast for the Olympic games. The Minister for the Olympics is reported to have said at a dinner earlier this week that if we had known then what we know now, perhaps we would not have bid for them, but I am delighted that we are going to have them, because there will be a sustained focus on physical activity. We debated the legacy a couple of weeks ago. I hope that the physical activity will not end with the closing ceremony and that people will continue to run, jump, swim, dance and all the rest of it. That is splendid.

We do not die if we do not take physical exercise, but we do if we do not drink and eat. The nature of the human beast is that we are all sinners. We all like to drink and we all like food. We like our taste buds to be triggered in some way or other. The key is to get the food and drink industry to take seriously the fat, salt and sugar content of the things that we eat and drink. In trying to get the supermarkets to agree on what we recommended in terms of traffic light labelling, we have ended with a shambles. It is no good having two systems—we are all very busy, and when we go round the supermarket the additives have to be clearly identified. I go back to what I said to Melanie Johnson during the inquiry.

We now have a Labour Government who say that they do not want to have a nanny state nor do they want to tell people what to do. However, a general review has not worked—I am not even convinced that that is happening—and having targets has not worked. We need action and leadership from the Government. I

[Mr. David Amess]

want them to assure me that obesity is at the top of their health agenda, because I am not convinced that it is. There are no quick fixes, but what we have are all the gestures that the Government participate in, seemingly every six months or in a year.

When the Select Committee visited a town in Europe, however, we saw a fantastic project—no motor vehicles were allowed in the town, and everyone was riding a bike. I suppose that it was a little bit like Cambridge. Since the publication of our report, I see no evidence that the Government have set any sustained target for wider involvement of the public. We had the BBC's "Fat Nation" for a while, but we seem to be going in and out of the process of involvement.

I applaud the latest two initiatives, but I want tangible leadership from the Government. If they had accepted every one of the Health Committee's recommendations, the Minister of State would be able to stand at the Dispatch Box and say, "We are actually treating this problem seriously and we are determined to defeat obesity."

2.10 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): It is important to give every opportunity to people to take responsibility for their own health, but we must also be cognisant of the important issue of stigma. It is very much the Government's approach to ensure that no stigma is applied to the obese in initiatives to combat obesity. It is important that we recognise that many people suffer from obesity for reasons of genetics or metabolism rather than greed. It is not acceptable for us to take the approach of bullying the school fatty, or for society to hold a view that implies that obesity means slowness of gait, or of wit or mind. Recently, I was the subject of criticism by the Sri Lankan Government because I took an interest in the peace process in that benighted isle. They made many criticisms of me, but one—that I was fat—may well have some truth. That is a sign that accusations concerning size are a matter of stigma, attack and derision.

More seriously, I would like to speak from personal experience about the important dovetailing of the issues of obesity and mental ill health. I went through a period of mental ill health that coincided with significant changes in weight between 72 kg and 104 kg, which is a range of 44 per cent. I had an illness, followed by purposeful use of antidepressants to improve on my lowered weight, but we must recognise that antidepressants have an unintended effect on the weight of many of those taking them, which can have a significant effect on their willingness to continue to take them. One of the most significant reasons for non-compliance in the taking of important antidepressants is unintended weight loss.

The Government have been supportive in their provision of additional resources for mental ill health, and in my locality, we benefit greatly from the South London and Maudsley trust, which is an excellent, world-beating provider in the area of mental health. Nevertheless, there is a lack of sufficient resources to provide the counselling, advice and therapy for those with mental ill health, and for those who might need such support in the context of deciding not to continue with their medication because of concerns about the side effects of antidepressant use.

I would like to mention briefly the way in which combating obesity links to diabetes. My local primary care trust in Croydon has undertaken important initiatives in that area, but I still believe that additional steps could be taken to identify a number of different causes and symptoms of diabetes. It is a particular curse for the large south Asian community in my constituency, and it is most appropriate that we are debating this issue just ahead of world diabetes day.

Another important link between this subject and ill health is eating disorders, which have already been referred to by other Members. They particularly affect young ladies, who can be oppressed by social and peer pressures. I was impressed by the work done by the Greater London authority. Dee Doocey, who is a Liberal Democrat Member of the London Assembly, and Boris Johnson have considered the matter, and asked whether funding should continue for London fashion week when there is such an obsession with size-zero models. Such models put pressure on many young girls and young ladies to believe that they are fat or obese when that can hardly be the case. It is fair to say that I have some doubts about my ability to be a judge in the "Miss Croydon Advertiser" contest that will be taking place this evening at House of Fraser in Croydon, but the good news about that contest is that it is about the style, poise, intelligence and attitude of real people. I know who the finalists are, and they are between sizes eight and 12. It is good to see that people recognise that there is beauty to be found in young people of all sizes, and in all of us.

I would like to touch briefly on the comments made by the hon. Member for Southend, West (Mr. Amess) about the important role of food companies, particularly as there is a great temptation in times of great economic stringency for people to buy cheaply, but wrongly—to buy food that might not be nourishing, but which is more likely to add to their obesity. Despite the rather ill-judged reputation that one company in Croydon has, I am pleased to say that Nestlé UK takes a responsible attitude by ensuring that it sells good food to its customers. It is a very good Croydon company.

We often make fun of ourselves and the Government by mocking the cross-cutting approach taken across Departments to deal with important social issues. It is ambitious of the Government to pursue proper co-ordination among Departments and between different public sector bodies. It is therefore important to see how the annual report will bear out matters next year in its measurement of providing the most effective co-ordination between Departments, and the extent to which it has been possible to inculcate an absorption policy in local authorities and local schools.

A number of Members have mentioned the importance of sports. An area of cross-cutting governmental co-ordination I find of interest is the extent to which the Building Schools for the Future programme has taken cognisance of the danger of trying to secure capital receipts and therefore compromising the provision of school playing fields. I am a former chairman of education, and it is fair to say that I have sold playing fields myself, so I plead guilty to that, but I hope that the Government are resisting that temptation.

It is also important to have joined-up government in the areas of social services and sports provision. I would like to highlight the good practice, which I am sure is being pursued elsewhere, that was taken up as an initiative by Croydon council before the Government took a more national approach. The council saw that there were significant savings to be made in social services care for senior citizens by providing free swimming. Free swimming, at little extra cost, means that many of our senior citizens enjoy a better quality of life, through more active minds and bodies. I congratulate Councillor Steve Hollands on Croydon council on making that policy judgment.

It will be interesting to note in next year's annual report the extent to which there has been an early trend towards a fall in obesity levels. Perhaps we can also hope for some early savings and a reduction on pressures on the NHS budget as the result of Government initiatives.

2.20 pm

Dr. Howard Stoate (Dartford) (Lab): Not only the scale of the problem—the hon. Member for North-East Bedfordshire (Alistair Burt) set out the statistics well—but the speed and trajectory at which it is becoming a major disaster for Britain and the wider world are shocking. My friend Dr. David Haslam of the National Obesity Forum spoke of a time bomb; he said that there is no obesity time bomb because it has already exploded and that we are now suffering its aftermath. We are dealing with the effects of a disaster.

We have already heard about the effects of obesity, including the huge increase in diabetes. An obese person has approximately 30 times the risk of diabetes compared with somebody of normal weight. As we all know, diabetes can significantly shorten life; it causes heart disease, strokes and vascular problems, not to mention the damage to eyes, nerves and kidneys. It is a multi-system disorder, which can cause significant problems. Type 2 diabetes is almost exclusively related to obesity. It is unusual to find somebody who is not obese with type 2 diabetes—the link is that great.

We have also heard about the link between obesity and cancer. Several cancers are directly related to obesity, as are heart disease and degenerative diseases such as arthritis. Obesity shortens life and causes misery. It has been estimated that obesity can knock nine years off life. I do not exaggerate when I say that, if the trend continues, a generation of young people will pre-decease their parents. That would be the first time in the civilised world that a generation had pre-deceased its parents through non-war-related effects. The position is that serious.

We have heard about the reasons for the increase in obesity. We eat far more refined food, which, almost by definition, is more calorie-dense than non-refined food. For example, a bag of crisps has a far higher calorie density than a pile of mashed potato. People experience more problems because they eat more processed food.

One of the big debates about obesity is whether calorie intake, lack of exercise or a combination of both causes it. The obvious answer is that it is a combination of both. However, a misleading statement that we often hear from several quarters is that people are not eating more than they did. People say that because they completely ignore food that is eaten outside the home.

Mike Penning (Hemel Hempstead) (Con): The hon. Gentleman is right to say that we must examine calories and exercise, but we must also consider salt and fat, which do not necessarily fall into calorie content, but are just as dangerous and cause obesity.

Dr. Stoate: The hon. Gentleman is right about fat. Salt in itself does not cause obesity—it can cause other problems, such as high blood pressure, and it has a significantly damaging effect on health. Fat is the main problem because it is the most calorie-dense food. It has approximately nine calories per gram, whereas carbohydrate and protein have approximately four to five calories per gram. Fat is, therefore, almost twice as calorie-dense as carbohydrate and protein. Anything people can do to switch from fat to carbohydrate will reduce their calorie intake. It is difficult to determine the scale of the problem in terms of what people are eating simply because it is hard to measure what people eat outside the home. Many surveys ask what food people have eaten and bought in the supermarket, but that ignores the bag of crisps, the bag of sweets and so on.

Although we have labelling on foods bought in a supermarket, there is no such requirement for food in a restaurant. Many restaurants simply do not give information about the calories in their foods. When I tackled McDonald's about the matter, it said that the information was available if one looked for it and that it was also on the website. However, people queuing to buy a Big Mac are not simultaneously checking the website to find out the number of calories it contains.

Some fast-food outlets and restaurants provide such information, but it is not uniformly available. If one goes out for a curry, one has no idea how much fat, salt and sugar and how many calories it contains. It is therefore almost impossible to measure calorie intake because the information for reaching a conclusion is unavailable.

Dr. Pugh: When I was a lad, school dinners were not under-caloried, if I may put it like that. There were no tuck shops in those days, but children ate an awful lot of sweets, and did not seem to get obese, which inclines me to the view that lack of activity rather than calorie intake is the principal cause of obesity.

Dr. Stoate: I hate to disagree with the hon. Gentleman, but he is wrong. People eat more calories—they can afford more food than they could in the past. There was a tuck shop at my school, but I could not often afford to buy anything from it. Food, like alcohol, has become relatively cheaper over the years and that means that it is more available.

However, it is interesting and paradoxical that obesity in this country is a disease of poverty. People who are poor are far more likely to be obese simply because poorer people tend to buy more energy-dense foods, which are cheaper—people can fill their children up for less money. The children are thus more likely to become obese.

Alistair Burt: I am grateful to the hon. Gentleman, who has been generous in giving way. I confess to running a tuck shop when I was at school—it was part of the prefects' duties. Before he moves from calories, will he explain why he believes that when we have a lot

[Alistair Burt]

of information about calories—people can find out about calorific content and the risks of food if they want—people ignore it? Statistics from the Department of Health and other sources show that. Why does he believe that so many people ignore the information and blithely go on in their own way?

Dr. Stoate: That is an interesting question, which I can answer. The Select Committee on Health, of which I am now a member, is undertaking an inquiry into health inequalities. Last week, Jamie Oliver came to talk to us about that very issue. I take issue with the hon. Member for Southend, West (Mr. Amess), who said that there were two labelling schemes—there are three. One is guideline daily amounts without traffic lights, one is GDA with traffic lights and the other is traffic lights. There are three competing schemes. I told Jamie Oliver at the Health Committee sitting last week that I did not understand the GDA system, and he said that he did not, either. I then asked, "If I'm a mother with three young children and I pick up a packet of something in the supermarket, which says, 'This packet contains 13 per cent. of the GDA for this particular nutrient', what does it mean?" He said that he did not know. This morning, I tackled the Food Standards Agency about the matter, and it could not give me the answer.

We must have a far more robust mechanism whereby people can receive information quickly. We have the eight-second rule in politics: if we put a letter through someone's letter box, we have eight seconds to convey our message. That is the time it takes to pick up the letter off the floor, take it to the bin and throw it away. That is what happens to political leaflets. People probably have less time than that in the supermarket. If they are busy and trying to buy food for their kids, they pick up a bag of whatever, and think, "Yes, oven chips—in the basket." We must forget the idea that someone can digest a range of nutritional information such as GDA percentages per 100 grams, per half a pack and so on, at the same time as doing the weekly shop with two children in tow. It cannot be done. People do not deliberately avoid or misunderstand the labelling—it is simply opaque and obscure. I have been a doctor for a long time and I do not understand it, so I cannot assume that anybody else does. That is why, frankly, the current voluntary system that food manufacturers and vendors are operating is not working. Voluntary systems did not work with smoking, and in the end we had to legislate. Voluntary systems are not working with food labelling, and we will probably have to legislate on that, too. I ask the Minister to consider that carefully in her response.

I know that time is pressing and I do not want to detain the House for too long, but we have to take robust action. We need far more robust action on advertising and on point-of-sale labelling and information, so that people have a much better idea of what they are eating and understand exactly what is in it. We must work with the food production industry to ensure that the salt, fat and sugar levels in food are lower wherever possible and to encourage it to transfer from saturated to non-saturated fats. All those things can be done, I hope not by forcing the industry, but by persuading it to do them on its own initiative.

We also need to do more for people in their communities. Many people come to see me as a GP. I am very pleased that we are now measuring body mass index as part of our quality and outcomes framework, so that we at least have records of it. In addition, the Prime Minister's welcome announcement on vascular screening this year means that we are not only weighing a far broader section of the population, but measuring blood pressure and cholesterol levels far more.

However, it is one thing to identify people with a problem—raised cholesterol, body mass index or whatever it might be—but another to sort it out. I make a plea to the Minister for far more support in general practice, so that when we pick up someone with a problem, we have the resources to address it, instead of just saying, "Get a diet sheet from the nurse" or "Take tablets." I do not want to go down that road. I want to ensure that we have enough information and community resources to refer people to an appropriate service where needed, whether it is a slimming club, a dietician or whatever. It is common to see obese children now, but it is much more difficult for GPs to send them down an appropriate avenue to deal with that obesity.

Obesity is a serious issue and I am pleased that the House has found time today for this debate. If we do not keep returning to the issue, it might slip off the agenda, and that would be a disaster for us all. I am therefore very pleased indeed that the Government have called this debate and that hon. Members have joined in. I am impressed by hon. Members' information and knowledge about obesity. In other words, everyone is aware of the issue; tackling it is the problem.

We probably all agree in our hearts that obesity is down to a combination of diet and exercise. Obviously we can disagree about the exact contribution that each makes, but it would quite wrong to assume that one is more to blame than the other. Both are responsible. As a society, we ignore the problem not just at our peril, but at the peril of our children and grandchildren, because if we do not sort it out, it does not bear thinking about.

2.31 pm

Mike Penning (Hemel Hempstead) (Con): It is a pleasure to respond to this debate on behalf of Her Majesty's Opposition. This debate is important, but it is difficult to call it topical on a day when BT has announced 10,000 job losses and at a time when 2,000 jobs a day are being lost in the British economy. Even the Minister was surprised to find herself here this afternoon responding to a debate that she did not know was going to be called.

On the serious issue of obesity, however, many figures have been cited but probably the most worrying is the one from 2006, which is that one third of all children then were classed as technically obese. That means, on the Government's own statistics, that unless we all do something, 60 per cent. of the British population will be obese by 2050. That is why this is such an important debate.

The Minister said in her opening remarks that we are not talking about a social group, the working class or anything like that; we are talking about a major issue that affects people across the board. As many hon. Members have said, obesity dramatically affects the

lower socio-economic groups in our society—I will come to that—but it dramatically affects certain ethnic groups, too. As we become a more diverse population, some ethnic groups, particularly certain Asian groups, suffer disproportionately from obesity and the medical problems associated with it. I am aware that the Bengali community is particularly worried about type 2 diabetes, which is affecting it so much and which seems to be becoming a genetic problem.

There were reports in the press this morning that having fat in certain parts of the body affects a person's likelihood of contracting cancer. One report said that having "love handles"—that is, fat in the abdomen area, round the body more generally—makes a person more likely to get cancer. I am worried by such research and the way that it is reported in the press. As other hon. Members have said, the issue should not be about a stigma, but about helping people to live healthier lives. We are all different shapes and sizes, so we should not worry people by saying that if they have the odd extra pound around their abdomen they are more likely to get cancer; rather, we should address the issue of obesity.

I pay tribute to hon. Members who have talked about the push by the fashion industry and others for size zero, and about those who say that only sizes eight and 10 are acceptable. That is abhorrent, and we should treat it with the contempt that it deserves. I only wish that my daughters would do so. They are absolutely paranoid about their weight—even though they are very sporty, they worry a great deal about what they eat. That worries me as a father, and I am sure that other parents in the House are similarly worried.

In August, my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), the shadow Health Secretary, said that the Conservative party's proposals for a response to the problem will deal with the industry. It cannot be right that legislation alone is the answer; there must be a partnership between the community, businesses and Government. I was conscious that the Minister did not refer to food labelling. I hope that she has time to do so towards the end of the debate. I know that it is difficult for her to talk about that, because legislating is difficult.

Dawn Primarolo *indicated dissent.*

Mike Penning: The Minister is indicating that it is not a problem, so perhaps she will explain later why she did not mention it once in her 10-minute speech, even though it is one of the most controversial food issues at the moment.

As I understand it, one reason why the Health Committee report recommendation on traffic lights was not implemented—it is also why the Conservative party is not saying that it should be implemented—is that under European law it cannot be implemented. That is the issue that is at stake. Unless our European partners agree that traffic lights are the way forward, we cannot introduce them.

Dr. Stoate: I asked the Food Standards Agency about that this morning. It told me that European law was not an obstacle and that, in fact, the current recommendations from Europe made it perfectly possible to have a traffic light system if we choose to do so.

Mike Penning: I look forward to looking at the Health Committee's evidence. I had the honour of being a member of that Committee. I too had meetings with officials of the FSA recently, but they indicated to me that European law was a concern. If there is a concern, we need to go for the best possible option. I agree that the guideline daily allowance system is not perfect, but at least it means that information for people who are willing to look for it is on the front rather than the back of packs. Perhaps a voluntary traffic light code would be the way forward.

I should like to comment on some of the excellent comments that have been made in the debate. I believe that my hon. Friend the Member for Kettering (Mr. Hollobone) referred in an intervention to the fact that it would be much better if fewer of our constituents drove their pupils to school. I agree with him. There were some excellent community-based ideas, such as walking buses and so on. When I ask my constituents why they drive their children to school, they say, "Fear." They do not feel that it is safe to let their youngsters walk to school any more, either with a friend or with another parent. We must address that. People in all parties are worried about that, and rightly so.

Before the hon. Member for Southport (Dr. Pugh) was cut short—I am sure that he will learn from that crisis—he was absolutely right to say that interaction with youth is very important. I am conscious of the fact that, as my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) said, when school facilities are not being used, when schools are closed in the evenings, clubs and other sporting people should have the opportunity to use them.

David T.C. Davies (Monmouth) (Con): I apologise for my earlier absence—I was at a sitting of the Home Affairs Committee. Does my hon. Friend agree with comments made by the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Bradford, South (Mr. Sutcliffe), who has indicated his support for encouraging more boxing in schools, as a sport that can do a great deal to tackle obesity?

Mike Penning: I declare an interest as someone who boxed for some 30 years. I cannot think of a better way of keeping fit than boxing, and it should be brought back into schools. It is about the fitness regime, not the bouts. If the calories are going in, one can certainly burn them off with a decent boxing trainer. Parents should not fear allowing their children to participate in amateur boxing—the protection these days is very good.

On some of the other points made by my hon. Friend the Member for North-East Bedfordshire, personal responsibility is crucial to any Government proposals to move the issue forward. We cannot be a nanny state—an issue that the Select Committee has considered previously—because the public will reject it and look the other way. At the same time, we need to protect. I am concerned about the poorest groups in the community using more and more ready-made meals, which are getting cheaper and cheaper in our supermarkets but, because of the salt, fat and sugar contents, are the most damaging to our constituents.

My hon. Friend the Member for Southend, West (Mr. Amess) referred to his time on the Select Committee. I had the honour of serving on it after the report he

[Mike Penning]

mentioned was published—prior to the 2005 election. I agree that it was one of the greatest reports, although the report on smoking was also remarkable for its cross-party basis and for the legislation that it prompted, perhaps in a way that the House and country might never have believed could happen. It showed how we could protect so many people in our communities.

In my remaining time, let me say that it is not possible for any Government simply to drive legislation through. Any action we take has to be cross-departmental and based on joined-up thinking with businesses, schools and parents. I hope that this morning Jamie Oliver did not use some of the colourful language he often uses in his TV programmes. He and other chefs have undoubtedly driven forward the whole concept of cooking. My own daughters now cook on a regular basis, which I would never have dreamed of a few years ago. The debate needs to continue. It is shame that the Government have not adopted more recommendations from the 2004 Health Committee report. I look forward to hearing from the Minister how many of those recommendations we can hope to see introduced in the future.

2.41 pm

Dawn Primarolo: With the leave of the House, I would like to respond to the issues raised in this interesting and well-informed debate. Let me start with the hon. Member for Southport (Dr. Pugh), whose comments were echoed by a number of Members, including the hon. Members for Croydon, Central (Mr. Pelling) and for North-East Bedfordshire (Alistair Burt).

Crucial points were made about balance, and it is important that none of us implies that there is a single answer to the problem; it is far more complex than that. The hon. Member for Southport highlighted the importance of activity, food labelling, cooking healthy food, planning, urban design, advertising, reformulation of foods, using pester power to generate pressure for healthy foods, calories on menus, portion sizes and so forth—all matters of great importance that we are taking forward. The hon. Gentleman also raised the issue of self-image; the way in which we conduct the debate is crucial for us all—whether it be the Government, non-governmental organisations, local authorities, health service bodies, local communities or whatever. The hon. Member for North-East Bedfordshire touched on that, as did the hon. Member for Croydon, Central.

The information we convey about maintaining a healthy weight and a healthy lifestyle must not just be about what we eat or how much exercise we take. Nor is it just about making people in our society so obsessed with their diet that they do not eat enough; we have seen the difficulties people get into with eating disorders. As the Minister responsible for public health over the last year and a half, I have sought to be careful with the language that I use and to stress the importance of a healthy lifestyle and living healthier and longer lives rather than going for a one-size-fits-all solution. I endorse all the points that Members have raised in the debate.

The contribution of the hon. Member for North-East Bedfordshire was helpfully divided into four parts. He made international comparisons, which were absolutely valid, and he spoke about the luxury of food and eating what is necessary. The Government can play a role, as highlighted in the Select Committee report, in the matter of portion size, as it takes us into labelling, how much we are eating and what our food contains.

The hon. Gentleman spoke of the need for reliable information. We are bombarded with reports and research from all over the world, but what people need is reliable, simple, accurate information, and that is what Change4Life seeks to provide. The hon. Gentleman also perceived a lack of interest. The results of surveys suggest that while people consider obesity to be an important problem, they do not feel that it applies to them. Therein lies the real issue: it is always someone else's problem. Even the parents of obese children do not recognise it.

The way in which we are conducting the debate on this subject allows us to polarise the issue. We think of it as applying to the person who weighs 50 stone, 20 stone or 30 stone, but once our body mass index rises above 25, we should all be wary of the health implications. We need to ensure that the information is there, that it is accessible and that people perceive it as relevant rather than accusatory or polarising, or paving the way for unintended consequences. The hon. Member for Croydon, Central made the connection with mental health.

Following the Health Committee's excellent report, the Government acted on all its recommendations. We gave funds to primary care trusts to enable them to produce the necessary information, we updated the child health promotion programmes, we put more funds into the family-nurse partnership, and we changed the national child measurement programme so that parents can be informed of their children's weight and height and told whether the statistics fall within a healthy range. We worked with Ofcom to change the advertising rules, particularly those applying to children.

The Food Standards Agency has worked relentlessly on reformulations of foods. It has worked relentlessly on salt and sugar, and huge steps have been made, but more needs to be done. The question that I would put to the food industry is, "If some changes can be made by some manufacturers, why cannot all the changes be made by all the manufacturers?" My hon. Friend the Member for Dartford (Dr. Stoate) asked that question as well.

A great deal of work is being done to build on those successes. Following the Health Committee's report, we commissioned the Foresight report. We asked scientists to look critically at all the elements that were contributing to a substantial public health challenge. The hon. Member for Southend, West (Mr. Amess) felt that he did not have all the information that he ought to have in connection with the Health Committee's report. I should be happy to send the details to him, and I hope he is now satisfied that the Government acted on its recommendations.

As for the healthy towns initiative, perhaps the hon. Gentleman should have a conversation with his local council. There were 160-odd expressions of interest in the initiative. Councils had to make specific proposals related to what their communities said they needed, and a selection process finally reduced the number to nine. Those nine councils will be monitored, and the measures that are found to work will form the basis of programmes for the future and funding to help all the councils implement their plans.

That brings me to the point made by the hon. Member for Croydon, Central. This is about partnership across Government. It is about what can be done by the Department for Culture, Media and Sport, by the Department for Children, Schools and Families, by the Department for Transport and by the Department for Communities and Local Government. Of course it is about the Department of Health, but it is also about the Department for Work and Pensions and what we can do with employers to ensure that there are healthy workplaces. We must work with the Food Standards Agency and local authorities through local area agreements and make this issue a high priority. I look forward to that annual report and I hope that Members will welcome the progress that we are making.

I fear that we will need to return to the points raised by my hon. Friend the Member for Dartford on food labelling. The Government have been clear that the best and swiftest agreements to achieve with the industry are those of a voluntary nature, but we have made it clear that if progress cannot be made, we will consider other methods. He is right in terms of comparing ourselves with other countries; there is a great deal of information on food labelling and the traffic light system is very clear, but there is still not one system. That is why the FSA is undertaking research to settle once and for all the best, simplest and most straightforward information that needs to be available on food. It will be based on the traffic light system and will ensure that one of the building blocks—but only one—is in place as the Government work with local government, communities, the health service, NGOs and community activists in partnership to deal with the biggest public health challenge that has faced this country in a very long time.

Question put and agreed to.

Resolved,

That this House has considered the matter of combating obesity.

ROYAL ASSENT

Madam Deputy Speaker (Sylvia Heal): I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her royal assent to the following Acts:

Planning and Energy Act 2008

Human Fertilisation and Embryology Act 2008

Children and Young Persons Act 2008

Employment Act 2008

International Aid Transparency

2.52 pm

The Secretary of State for International Development (Mr. Douglas Alexander): I beg to move,

That this House has considered the matter of promoting International Aid Transparency.

Some argue that in this time of financial turbulence we should put on hold our ambition to achieve the millennium development goals and turn back from the promises we have made to tackle poverty in developing countries, but as the Prime Minister argued at the United Nations in September, now would be the worst time to turn back. For, as he has stated many times, the global problems we face require global solutions. We cannot tackle dangerous climate change without involving Africa and developing countries. We cannot address pressure on resources and energy without involving Africa and developing countries. We cannot hope to feed the world without involving Africa and developing countries.

Economic history has shown us that, given the reliance that many such countries have on exports, remittances and aid flows, global downturns can have a devastating and potentially long-term impact on the world's poorest countries. Caribbean and central American countries are already seeing a decline in remittances because of a fall in employment in the United States of America. As such sources of financing begin to decline, spending on essential services such as health, education and water supply can suffer quickly.

For that reason, the international community must keep its promises to help deliver the millennium development goals. We must keep our pledges on the quantity and quality of aid we provide to the developing world and we must ensure that policies to stabilise the global economy are effective in helping developing countries both to tackle short-term crises and to meet long-term development needs.

To those ends, I wish to update the House on the United Kingdom's role in launching a new international aid transparency initiative that aims substantially to increase the transparency of information on global aid flows; in securing an ambitious outcome at the recent high-level forum on aid effectiveness in Accra; and in securing global commitments to reinvigorate efforts to meet the millennium development goals at the recent United Nations high-level event in New York. I also wish to inform the House of this Government's ambitions for the financing for development conference, which will take place later this month in Doha.

Mr. Philip Hollobone (Kettering) (Con): My constituents are very supportive of international aid, because there is a real need for it, but they are hugely concerned that this country is giving hundred of millions of pounds-worth of aid to countries that have nuclear weapons programmes and international space programmes—in particular, India and China. Why is the UK giving £72 million this year to China and £370 million to India, given that those countries spend billions of pounds on nuclear weapons and international space research?

Mr. Alexander: Let me deal with each of those points in turn. We have set criteria in respect of looking to support countries. We consider their commitment to reducing poverty in their own country, and we examine their systems of public financial management when we consider whether budgetary support should be provided. We also examine the issue of human rights, which is why, for example, the UK is involved in the EU dialogue on human rights in China.

The health indicators for China—in particular, western China—show significantly high continuing levels of tuberculosis, as a consequence of the significant number of people who continue to be afflicted by poverty in that country, and India still has more poor people than the whole of sub-Saharan Africa. In that sense, we face a real choice. If, as I have stated, we are serious about meeting the challenge of the MDGs, we are required to work in India, which has a significant number of poor people.

It is worth bringing another dimension of this matter to the House's attention. The global rebalancing of economic power that will take place in the years ahead means that it is strongly in this country's national interest to maintain strong partnerships with both India and China. This is not simply about development, where it is unquestionably the case that a country such as China will have a long and continuing engagement with Africa—we have real opportunities to influence how China seeks to exert its influence in that continent—but about the British national interest. It would be precisely the wrong time to communicate a message, whether advertently or inadvertently, to either India or China that somehow we did not recognise the fact that there is a continuing partnership between the United Kingdom and those countries.

Of course, we will be closing our programme in China in the years to come, but there is a continuing challenge to be met in India, given the high levels of poverty of which I have spoken. We have an obligation to continue to work on the programmes that are in place to ensure, for example, that we help to secure the eradication of as basic a disease as TB and that we combat infant and child mortality in India, the effects of which I shall see for myself when I travel there next week—we have a continuing obligation to work in that country too.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): That was an extensive reply to my hon. Friend the Member for Kettering (Mr. Hollobone) on the subject of India and China. Will the Secretary of State explain why, in these difficult economic times, we continue to give aid to Russia, a country that has more than $500 billion in reserves and sits on some of the world's largest oil supplies?

Mr. Alexander: Programmes were put in place in Russia at the time of the change following the fall of the Berlin wall and the change to the Commonwealth of Independent States, as was. *[Interruption.]* I hope the hon. Gentleman will forgive me if I finish the point. The reason I answered the question on India and China was because it was what I was asked. That may be an unconventional approach for some, but I endeavour to answer the question that is put to me.

We do not see ourselves having a long-standing development relationship with Russia, but, once again, it is a country that we want to continue to influence within the international environment. If Russia is looking, as it certainly is, on the basis of the progress that it has made economically in recent years—notwithstanding the recent fall in the stock market and the difficulties that it will face with a falling oil price—to exert its influence internationally, there is a case for having a dialogue with Russia about how it will engage in development issues. In the same way, it is important that we engage with Russia on nuclear proliferation issues and on a wide range of strategic concerns.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): In the Secretary of State's response to the question about aid to India, China and Russia, is he not falling into the trap of blurring the distinction between international development policy and foreign policy? Money spent by his Department is not supposed to be used to support the latter.

Mr. Alexander: I am always happy to be challenged on whether our aid is tied, but it is interesting to receive such questions from members of the Conservative party, which is well remembered for having tied British aid, for having halved British aid, and for being upbraided by no less an institution than the High Court for not having upheld development principles, for example in relation to the Pergau dam. If the hon. Gentleman is asserting that the Conservative party is a repentant sinner and recognises that it was wrong to tie British aid and to halve it—we have doubled it—in the past, I welcome his support today.

There is no contradiction between a clear focus on poverty reduction—writing that into law and ensuring transparency in the provision of that aid—and recognising that that relationship allows us an opportunity to engage in dialogue with countries with which we are working. In that sense, it is not an especially difficult point to grasp to say that if one is in dialogue with developing countries, we should seek to influence them benignly in terms of the international environment. That is fundamentally different from an approach that seeks to use British aid money to support British commercial concerns, as was the case under the previous Conservative Government, and that led inexorably to the embarrassment and shame of projects such as the Pergau dam.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): The Secretary of State may have misunderstood the question asked by my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb), who was making the point that a decision radically to change the nature of our aid programme to India would be a matter not just for the Secretary of State's Department, but for the Foreign Office as well.

Mr. Alexander: I assure the hon. Gentleman that we are in close dialogue with our colleagues in the Foreign Office. I last saw the Foreign Secretary about two hours ago, and I will see him again later this afternoon. There is a close working relationship between my Department and the Foreign Office, and I will work closely with our high commissioner in India next week as surely as I will work closely with the head of my Department's programme there.

The fundamental point is whether the centrality of the need to untie aid is recognised on both sides of the House. I am sure that the hon. Gentleman will take the opportunity today to confirm that that is the policy. I am also sure he will confirm that there is no contradiction between seeking to maintain a policy dialogue with the countries in which we work while also seeking to maintain the clear poverty reduction focus for British aid.

Mr. Mitchell: The leader of the Conservative party, my right hon. Friend the Member for Witney (Mr. Cameron), has made it clear that we support the decision to untie aid, and that remains the settled position of our party.

Mr. Alexander: I am glad to receive that assurance. If we are in the business of offering assurances this afternoon, perhaps the hon. Gentleman will reiterate the commitment to budget support, given the press coverage in *The Daily Telegraph* today. At least one of his colleagues, when introducing the debate on global poverty in this House on 24 July, was only too happy to do so. It would be regrettable if the development community in the UK were left with the mistaken perception—as a result of a search for headlines—that the Conservative party had changed its approach to budget support.

Mr. Mitchell: I can reassure the Secretary of State that he can look forward to my contribution to this debate with enthusiasm.

Mr. Alexander: I think I will make up my own mind on that point.

Anne Snelgrove (South Swindon) (Lab): Will my right hon. Friend confirm that 90 per cent. of DFID's aid is targeted on low-income countries? I have read the article in *The Daily Telegraph* and I wonder whether he shares my concern that some of the information in it—and some of the questions from Conservative Members—may be leading to a change in Tory policy that would mean a cut in the Department's budget?

Mr. Alexander: I listened with care—whether I listened with enthusiasm is another matter—to the speech by the hon. Member for Sutton Coldfield (Mr. Mitchell) at the Conservative party conference this year, and I did hear him make a commitment to 0.7 per cent. of gross national income. However, I noted that he did not give a timetable for meeting that target. Perhaps he will take this opportunity to confirm that to the House today.

Mr. Mitchell: I am very happy to give the Secretary of State that confirmation.

Mr. Douglas Alexander: I am happy to receive that assurance.

My hon. Friend the Member for South Swindon (Anne Snelgrove) is right to recognise that, perhaps understandably given the tenor of some of the observations that have been made by Conservative Members, there are still concerns about whether, in these challenging economic times, the commitment that was made previously to seek to match the global leadership that the Labour Government have offered in recent years will be delivered in terms of continuing policy commitments by the Conservative party.

From our point of view, I can assure the House that the global leadership that we have taken in recent years—I will say some more about that this afternoon—reflects a genuine and deeply held conviction on the part of this party that we have obligations as well as shared interest and enlightened self-interest in having a more prosperous, peaceful and sustainable world. That is why it is a matter of consistency that the Government have prioritised international development, not a matter of electoral tactics or a desire to catch up with others. In that sense, I sincerely hope that the work we have undertaken to ensure that every section of British society recognises the importance of development expenditure truly extends to both sides of this House.

Malcolm Bruce (Gordon) (LD): Will the Secretary of State not accept that in these difficult times, it is crucial that there is strong cross-party support for the objectives that the Government have set out? It will be difficult to keep the British people with us, but they have shown that they strongly support international aid and development. Now is not the time for parties to break away from the fundamental commitment to delivering what we have collectively promised.

Mr. Alexander: I find myself in complete agreement with the right hon. Gentleman, who brings great authority and experience to the debate. That is why it was a matter of such regret to me to read the comments ascribed to the Conservative party this morning in *The Daily Telegraph*. To bandy about suggestions that there are somehow no strings attached to hundreds of millions of pounds worth of British aid does a disservice to the quality of debate that we have reasonably come to expect from all parties. We have a responsibility to ensure the highest levels of propriety in how British aid money is spent—I will be happy to speak about that in the course of my remarks—and, at the same time, to ensure that the search for headlines does not get in the way of the truth. We are recognisable as a Department that has shown real leadership in ensuring that British aid money is spent effectively and wisely.

Daniel Kawczynski: Can we get back to the core of this debate, which is transparency? Nobody is saying that we should cut aid, but this year we are going to borrow more than £40 billion for the deficit that the socialists have got us into—*[Interruption.]* We are more than £800 billion in debt already, excluding the private finance initiatives—*[Interruption.]* The Under-Secretary of State, the hon. Member for Bury, South (Mr. Lewis), laughs as he always does in such debates, but when we are talking about our country borrowing huge amounts it is important that members of the public should receive an explanation of why we should continue to give aid to countries such as Russia and China.

Mr. Alexander: Let me endeavour to answer the question, in as much as I am able to understand it. If the hon. Gentleman is genuinely saying that the socialists in Lehman Brothers—*[Interruption.]*—in the Mississippi mortgage markets and in the White House are responsible for the global financial crisis, which, of course, afflicts not just this country—*[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. Could we conduct the debate in the usual manner?

Mr. Alexander: I am grateful, Madam Deputy Speaker, for the opportunity to continue where I left off. If the hon. Gentleman is genuinely suggesting that the socialists in the White House, in the form of Henry Paulson and President Bush, the socialists in the Federal Reserve, including Ben Bernanke and others, the socialists who were responsible for Lehman Brothers and the socialists in the New York stock exchange and the American mortgage markets are responsible for the global financial crisis, I fear that he might not carry his Beck-Bench and Front-Bench colleagues along with him in that analysis, never mind the Government.

It does a disservice to the seriousness of the global financial crisis to offer such a superficial critique of what has actually happened. That causes me concern. When one gets to the core of Conservative party thinking, one sees that as the intellectual tide has turned against Conservatives they have been left defenceless and uncomprehending about the true nature of the problem. That is why, at a domestic level, they have opposed the steps we have taken on short selling and to protect mortgage holders, and why they did not initially support the significant steps that our Chancellor and Prime Minister have taken. I understand that this is a moment of acute intellectual peril for the right, given that we cannot nudge, privatise or deregulate our way out of the international financial crisis. However, I still thought that we could do better than the quality of debate that we have enjoyed from the Opposition today.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I had not expected to intervene in my right hon. Friend's speech at all, far less on what seems to be a partisan point. However, given that some people here today are new to debates on international development and that there appears to be a gap between those on the Opposition Front Bench and some of their Back Benchers, will he assure the House that he will continue his support for development education? Will he therefore keep in touch with the Secretary of State for Children, Schools and Families and the various devolved Administrations on that matter?

Mr. Alexander: I am happy to give exactly the assurance that my right hon. Friend seeks. In many ways, he is the embodiment of the constancy, consistency and passion with which many Labour Members have fought, argued and campaigned for development over so many years, in good times and bad. I assure him that we on the Front Bench remain as committed as he is to ensuring a commitment to development education and the cause of international development more broadly.

We have a duty, especially in these straitened economic times of which I have just been speaking, to show British taxpayers where their aid money is invested, and the results being achieved by our international development assistance. This House therefore has a pivotal role in holding this Government to account for the effectiveness of the aid that we provide. In that regard, I should like to pay tribute to the work of the International Development Committee, and to acknowledge that its report on aid effectiveness, which was published earlier this Session, was a genuinely valuable contribution to such scrutiny.

I was pleased that the report recognised that the UK has performed well against the targets in the Paris declaration on aid effectiveness, and that the development assistance committee of the OECD has acknowledged the UK's leadership in aid effectiveness. I also find myself in complete agreement with the Select Committee's assertion that

"where DFID is a leader, it is right that it promotes its achievements."

The impact of aid in relieving poverty can be greatly increased if everyone can see where aid funding comes from, who is spending it, and what it should be achieving. That is an issue well understood by Members of this House and particularly, as I have just had the opportunity to acknowledge, by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). His International Development (Reporting and Transparency) Act 2006 obliges me to report annually to this House on the UK's provision of aid. It is an obligation that I am happy to fulfil, for we know that transparency improves the effectiveness of aid.

Dr. Andrew Murrison (Westbury) (Con): I am sure we all agree that transparency in aid is extremely important. In that regard, will the right hon. Gentleman say whether he plans to examine the amount of aid given by the British military? We are more heavily committed to Afghanistan and Iraq than any of our European neighbours, yet the aid that we provide in kind for things such as protecting and building dams and bridges does not appear to feature at all in his plans for transparency. Does he not think that that is an omission?

Mr. Alexander: Of course, my right hon. Friend the Secretary of State for Defence—with whom I met President Karzai only this morning—is accountable to this House, which has plenty of opportunity to question him about the conduct of his Department. As I recollect, he appeared only recently in a joint session with the Foreign Secretary—it was before either the Defence Committee or the Foreign Affairs Committee—to answer exactly that sort of question in respect of Afghanistan. The House has significant opportunities to hold the Defence Secretary and his ministerial colleagues to account over their conduct of the Department in Afghanistan, other theatres, and elsewhere.

Transparency helps developing country Governments to plan and manage their budgets. In Rwanda last year, just half of all estimated aid flows to that country were recorded in the national budget, which made it difficult for the Rwandan Government to channel resources to the areas of greatest need.

In addition, transparency enables citizens to hold their Governments to account. In Uganda, a campaign to give information concerning education funding to the citizens of that country helped to increase the share of funds reaching schools from just 20 per cent. in 1995 to more than 80 per cent. by 2001. Transparency limits the scope for corruption in developing countries. The extractive industries transparency initiative, launched by the Government in 2002, requires Governments, as well as oil and mining companies, publicly to declare the value of contracts. That initiative has helped Nigeria to increase revenue collection by $1 billion—money that is now available to spend on meeting the needs of the Nigerian people. In recognition of the power of such transparency to increase the impact of aid, the Government launched a new international initiative in September. The initiative was intended to make information on aid flows more easily available and accessible, so that citizens of both donor and recipient countries could see where and how aid was invested.

The United Kingdom launched the international aid transparency initiative at the high-level forum on aid effectiveness in Accra in September this year. We did so, I am glad to say, with the support of 13 major donors, including the United Nations Development Programme, the World Bank, the European Commission and the William and Flora Hewlett Foundation. The initiative commits donors to publishing more detailed and up-to-date information about aid flows, to giving details and costs of individual projects and their aims, to providing more reliable information about intended future aid, and to agreeing common standards for publishing that information so that it is accessible to everyone.

The initiative is an important first step towards increasing certainty for both donors and the countries receiving aid, and has been warmly welcomed as such by developing countries and civil society, including by Transparency International and the Publish What You Fund campaign—a coalition including ActionAid and the UK Aid Network. I expect the initiative to be joined by growing numbers of international donors during its design phase, which is under way, and I expect it to be in place by the end of next year.

In addition to launching the international aid transparency initiative, the United Kingdom played a leading role at the Accra meetings to secure an international agenda for action to improve the quality of global aid. Supported by the outstanding team of civil servants from DFID, I was able to work with my counterparts from across the European Union frankly to raise the level of ambition for the meeting, and to persuade all donors and developing countries to sign up to concrete, time-bound, ambitious agreements to improve the way aid is provided. I would like to inform the House of some of the successes of the meeting, including agreements on mutual accountability, donor co-ordination and predictability of financing.

The first area of agreement regards mutual accountability between donors and recipient countries. Donors have a legitimate right to monitor the performance of developing country Governments to ensure that aid is well spent—a responsibility that this Government take seriously. We know that aid is more effective when recipient countries in turn monitor donor performance. In Mozambique, for example, independent reviews of both donor and Government performance have helped to improve the predictability of aid and reduce the costs for all parties involved. The House may be interested to learn that such rankings have rated DFID as the most effective donor for the past three years. In Accra, both donors and recipient Governments agreed to develop stronger mechanisms to hold each other accountable for meeting commitments, so that the good practice that I described in Mozambique is in future the rule, not the exception, in international aid.

The donors gathered in Accra made a commitment to improving the co-ordination of aid. Developing country Governments spend far too much time managing donors, and are left with too little time to conduct the proper business of government as they take their countries forward on their development paths. Over the past four years, Government staff in Uganda have dealt with more than 1,000 donor-led projects. In one year alone, the Government of Vietnam played host to 791 donor missions—more than three for every working day. Government staff in Mozambique have to maintain 1,000 different bank accounts simply to meet differing donor requirements. It was because of such concerns that this Government last year launched the international health partnership to improve donor co-ordination in the health sector. The agreements made in Accra take that approach beyond the health sector. Developing countries committed to taking the lead in co-ordinating and agreeing an effective division of labour between donors. In turn, donors agreed to respect those priorities and work together to put better co-ordination into practice.

In developing countries where aid funding can be equivalent to as much as 75 per cent. of the national budget, it is vital that donors provide as much clarity as possible regarding intended future aid flows. Our Government are taking part in 10-year agreements in the education sector; as part of that, developing countries provide robust, costed 10-year plans. We have already made such agreements in a number of countries, including Ghana, Mozambique and Rwanda. By doing so, we are giving those countries the confidence that they need to build a school; they know that the money will be there to maintain it, and can train teachers knowing that they can afford to pay a salary at the end of that training.

In Accra, donors agreed to provide regular and timely information on the aid that they expect to provide in the next three to five years. Donors also agreed to increase the share of aid channelled through to partner country budgets. Those measures will help developing countries to plan and manage their budgets better, to use resources more effectively and to provide the services that their citizens need.

The successful conclusion to the meeting of donors and developing countries in Accra provided a positive precursor to the high-level event on the millennium development goals held later in September at the United Nations in New York. That meeting brought together literally the broadest alliance ever assembled to fight for a common goal to tackle global poverty. The UN Secretary-General and the President of the General Assembly were joined by 140 countries, alongside dozens of multinational chief executives, faith leaders and non-governmental organisations. The commitments made included a malaria action plan, launched to point the way towards universal coverage of insecticide-treated bed nets by 2010, and achieving near-zero malaria deaths by 2015. Those gathered made commitments to provide emergency food aid in the horn of Africa, and the rapid distribution of support, including seeds and fertilisers for 30 priority countries in time for the next planting season. A major new financing force was launched with the aim of raising funds to help recruit 1 million health workers and save 10 million lives. To get 25 million more children into school by 2010, as a milestone to universal primary education by 2015, international partners launched a "Class of 2015" partnership. Those and other commitments combined to form $16 billion-worth of pledges to tackle poverty. In response, UN Secretary-General Ban Ki-moon called the meeting

"an inspiring day at the United Nations".

As I said at the outset, the coming weeks will, however, be crucial in determining the global response to the slowdown in the world economy. The G20 leaders meeting in Washington this weekend should send a clear and unequivocal signal to the international community of their continued commitment to international development. At the financing for development conference in Doha at

[Mr. Douglas Alexander]

the end of this month, donors should agree that changes to international financial regulations will not harm the interests of the poorest countries. All parties should reaffirm the commitments on aid effectiveness made in Accra. Donors should agree to keep promises on aid, as the UK, I am glad to say, is doing, and they should reaffirm their commitment to maintaining open markets and resist the threat of protectionism.

I hope that I have given the House an assurance that the Government are committed to tackling global poverty at a time of global uncertainty. It is not only our moral duty to help our fellow men, women and children to lift themselves out of poverty but it is in our interest as a nation to do so. Government Members, at least, are united in that conviction.

The financial crisis and its effects have underscored the interdependence of nations at the beginning of the 21st century, and while recent events have shown every family across Britain to be connected to some of the richest people in the world so, too, are we connected to the world's poorest people. In our response to dangerous climate change, the depletion of natural resources, the threat of global disease, and indeed the threats to our global security, there is quite simply no more "over there" and "over here". Tackling those great problems requires a truly global mindset, and calls for global solutions, which means bringing the fifth of the global population who live in extreme poverty into our global community. The United Kingdom will therefore keep working to tackle disease, illiteracy and hunger. As I have set out, we will continue to lead international efforts to ensure that any aid delivered provides the benefits that the world's poorest need, and that British taxpayers rightly demand.

3.23 pm

Mr. Andrew Mitchell (Sutton Coldfield) (Con): The year 2008 has been a distinctly mixed one for international development. We remain stubbornly off-track to meet the millennium development goals, and fuel prices and food shortages have left millions at risk. Natural disasters have hit, leaving destruction in their wake—floods in India, a cyclone in Burma, and an earthquake in Pakistan. Man-made emergencies in Zimbabwe, the Democratic Republic of the Congo and Sudan have brought insecurity and misery to many. Amid all that, the global financial crisis has thrown the whole developing world and the international aid industry into turmoil.

At the outset, I echo the Secretary of State's opening words about now being a time of hardship when the poor suffer most, and his closing words about the importance, particularly now, of the rich world standing by its commitments. There is, however, some cause for hope. DFID's reputation as an outstanding development agency continues, and we are all rightly proud of it. The Department has continued to fight poverty in some of the world's poorest countries; it has accepted that poor sanitation is one of the leading causes of preventable deaths and launched a new policy for that sector; and, as the Secretary of State outlined, it has led international efforts to improve aid co-ordination, championing in Accra an agreement that serves as a booster to the three-year-old Paris declaration.

I should like to reassert a point that I have made numerous times in the House and elsewhere, and which the Chairman of the Select Committee on International Development, the right hon. Member for Gordon (Malcolm Bruce), made: most people want international development to be removed from the realm of party politics all together. International development policy is not Tory, or Labour, or Liberal, but British. But, of course, we on the Opposition Benches have a rôle to play in holding the Government to account on their international development work and policies, so we will support and encourage DFID when we believe that it is doing the right thing, but probe and ask questions of it when we think that there is room for improvement. We will also press the Government to do more in areas that we consider to be important. That should be the nature of a responsible Opposition's approach to development, and it is certainly our approach on the Conservative Benches.

Mr. Douglas Alexander: In the spirit of the hon. Gentleman's remarks, may I ask him to confirm that he therefore accepts that DFID, as a leading development agency, does not give any money with no strings attached? I am sure that he will be happy to offer that assurance to the House on the basis of his scrutiny of the Department's annual report.

Mr. Mitchell: I am grateful to the Secretary of State for his intervention, and in my speech I will come precisely to the point to which he alludes. *[Interruption.]* As I said, I shall answer the point in my own way, and he can wait, I hope, with patience.

Anne Snelgrove: The problem that Government Members have with the hon. Gentleman's point about removing party politics from the international development debate is that during the Conservative party's term in office, the money that was spent on aid halved as a proportion of GDP, and, if it had not been for the political and non-governmental organisations' pressure on his party, it would have gone down even further. What is his comment on that?

Mr. Mitchell: My comment is that, first, the hon. Lady has seen and knows the Opposition's commitments, and, secondly, she makes my point for me: people hearing that sort of intervention, having heard what I said about the importance of taking the issue out of party politics, will find it rather tiresome.

Daniel Kawczynski: We did not—*[Interruption.]*

Madam Deputy Speaker: Order. Mr. Kawczynski.

Daniel Kawczynski: Thank you, Madam Deputy Speaker. The Secretary of State did not mention once in his speech the European Union or the funding that it gives to international aid. Of course, our taxpayers' money is increasingly spent by the European Union, and I had been hoping to hear from the Secretary of State a bit more about the transparency of EU spending in the third world. Does my hon. Friend share my concerns that the Secretary of State did not either do that or share with the House any further information about the transparency governing the EU's spending of our money?

Mr. Mitchell: My hon. Friend will have noticed that the debate refers specifically to transparency. A transparent international aid policy is one that is accountable to its—

Mr. Alexander: Will the hon. Gentleman give way?

Mr. Mitchell: I shall.

Mr. Alexander: It is just that in the spirit of co-operation of which the hon. Gentleman has spoken today, I had hoped that I might be able to assist him in answering the question from his own Back-Bencher, the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski). When I mentioned "European partners", that was a reference to the European Union. I know that that is an alien concept to some on the Opposition Benches, but we believe that the members of the European Union—the other 26—are our partners. So, when I spoke of the partners, I was speaking about the European Union.

Mr. Mitchell: I do not wish to be unfair to the Secretary of State, but before he jumped in, I was just about to answer my hon. Friend by saying that a transparent international aid policy is one that is accountable to its investors, the British taxpayer, as well as to its end-users, the local people in developing countries. The policy must be efficient and effective, or face a critical response from those who have a stake in it. Most importantly, it must deliver.

We welcome the launch of the international aid transparency initiative. We Conservatives have repeatedly championed greater transparency in aid. We have consistently argued—not least as I did in my speech at the Conservative party conference the year before; as the Secretary of State is an enthusiast of my speeches, he will have noticed—that as well as championing effectiveness in aid spending, we must stand up for transparency. We will watch closely to ensure that the new international aid transparency initiative is fully implemented by the Department for International Development and the other agencies that have signed up to it.

The Secretary of State has no room for complacency on this issue. One of the initiative's commitments is to

"share more detailed and more up-to-date information about aid in a form that makes information more accessible to all relevant stakeholders."

There is a great deal to be done to put flesh on the bones of that promise. The DFID website is a most important tool, but it is woefully light on information about DFID spending on development. When country profiles exist, they often lack up-to-date, systematic detail on what DFID money has been spent on and how. Many recipients of our aid do not even have a country profile on the website, and in many country programmes there is no obvious way for a member of the public in a developing country to find out in detail how DFID aid money is being spent there.

For example, the DFID website offers just a few paragraphs about how our £3 million aid budget is spent in The Gambia and contains no easily accessible detail about the six major sectors in which many millions of British pounds will be spent in that country in the next few years. I am not talking about complicated information, and it should not effectively be classified information.

There are good precedents for greater transparency. The Global Fund to Fight AIDS, Tuberculosis and Malaria publishes on its website all its budgets and spending decisions in each of the countries where it works. Like its websites for other countries, its website for The Gambia clearly explains who the local fund agent is, the exact amount of the approved grants down to the last dollar, the name of the principal recipient, the amount actually disbursed, a disbursement rating, and the dates on which the programme started and the money was disbursed. It also gives details of unsuccessful proposals.

Let no one be in any doubt about the importance of the DFID website. It is not only the vital means through which British people can find out how their money is being spent, but an essential reference point for journalists, civil society and ordinary citizens in developing countries. I welcome the Secretary of State's commitment to redesigning the DFID website, but will he reassure me that its content—and not only its appearance—will be comprehensively overhauled? Will he learn lessons from sites such as that of the global health fund and publish a detailed breakdown of spending to which everyone can have access?

I also have a query about changes in the figures published from one year to the next. The casual observer in London, Nairobi or Freetown would not necessarily spot them straight away, but the Conservative international development team is nothing if not sharp-eyed. In the Department's report, the statistics show that no money was spent in Djibouti in 2006-07. When the new international development statistics were published in October, the figure was mysteriously changed to £4 million, apparently all for other bilateral aid. Similarly, the Madagascan bilateral programme rose by £14 million and the Ghanaian programme by £13 million; there are numerous other examples. In the winding up, will the Minister explain the reasons for those discrepancies and will a system for explaining them as they arise be established? A revamped website with comprehensive information will be seriously hindered if the statistics in it can be changed year on year without explanation.

Anne Snelgrove: Would the hon. Gentleman not be better advised to ensure that his sharp-eyed researchers are put to work on his party's international development policy? I do not know whether he is embarrassed by the comments of the Overseas Development Institute's Alan Hudson, who described the hon. Gentleman's proposals on the ODI blog as "derivative" and just a rehash of the Government's.

Mr. Mitchell: We can always swap these things across the Floor of the House. The hon. Lady will have seen that *The Guardian*, which is not always a supporter of the Conservative party, spoke in glowing terms of our policies on international development in a recent article.

Mr. Brooks Newmark (Braintree) (Con): Does my hon. Friend agree that the Conservative party, in pursuing this initiative over the past two years—for example in Rwanda, where 120 MPs and volunteers went this year—is leading from the front in terms of showing people what we can do to help those in developing countries?

Mr. Mitchell: My hon. Friend is right. There are many policy areas where Conservative Members have been leading, coaxing and encouraging the Government, with modest success in some cases.

It is vital that DFID can keep demonstrating value for money for the British taxpayer. Until recently, work towards reaching the aid target of 0.7 per cent. of gross domestic product, to which we are all signed up, operated in a benign atmosphere, but that is no longer the case.

[Mr. Andrew Mitchell]

Throughout the country, people are feeling the effects of the economic downturn. If we are to uphold the case for international aid, we must be able to show that every pound spent returns 100p of value.

Mr. Alexander: I hear what the hon. Gentleman says about the need to be able to maintain public support for international development. I am sure that he would not wish to be accused of trying to have his cake and eat it. Will he therefore return to the question that I asked him earlier? In the light of the praise that he, as a Front Bencher, is willing to offer DFID as a leading development agency, and in the light of the remarks about DFID from the Conservative party reported in *The Daily Telegraph*, will he now assert, as I requested, that not a single penny of British development money is spent with no strings attached?

Mr. Mitchell: I have been generous in giving way to the Secretary of State again, but he must wait until I come to that passage in my speech.

The Secretary of State seems to view transparency in terms of processes and inputs—being open about what we are spending and where. That is a good start, but it is only half of the story. We also need transparency about outcomes and outputs—what our aid is actively achieving on the ground. Once again, I urge him to consider carefully our proposal for a fully independent aid evaluation watchdog to be set up to report to Parliament, not to the Secretary of State.

The Government have enthusiastically promoted a policy of direct budget support—here I come to the point about which the Secretary of State has intervened twice—whereby Britain hands money directly to Governments in developing countries to spend according to their own expenditure and audit systems in support of their national poverty reduction plans. In 2007-08, £366 million of British aid was spent in that way. According to the respected non-governmental organisation, Transparency International, the UK gives some of its largest donations to Governments who have real problems with governance and corruption. For example, Tanzania ranks 102nd on the corruption index, yet it received £105 million as direct budget support last year. In February this year, President Kikwete of Tanzania dissolved his entire cabinet following a financial scandal, and in January he fired the head of the central bank after international auditors found that more than $120 million was missing.

Uganda ranks 126th on the Transparency International index, down from 111th in 2007, yet it received £35 million in direct budget support from Britain. President Museveni is planning to buy a new £24 million G5 Gulfstream jet plane. In 2006, massive corruption in the Ugandan health ministry was exposed. In June this year, an important report by the Public Accounts Committee warned the Government about direct budget support.

Mr. Alexander: The hon. Gentleman cites the example of Tanzania. Does he accept my undertaking that I spoke at length to President Kikwete and was able effectively to communicate to him the importance that we attach to his cleaning up the difficulties that arose at the Bank of Tanzania? Does he further accept that we gave very clear directions to the president on what we required in terms of tackling corruption, even if it took the investigation to the heart of his cabinet and Government? That is surely an example of where it is possible to achieve the development outcomes that we are seeking—whereby in Tanzania more than 4 million children are in schools and there are 40 per cent. more primary school teachers—at the same time as ensuring the dialogue to achieve the genuine policy changes that we want to see?

Mr. Mitchell: I have no doubt of the Secretary of State's bona fides on what he said to the President of Tanzania. I went there myself last year because I wanted to find out the extent to which we were monitoring the large amount of taxpayers' money going into the Tanzanian budget. I must tell the Secretary of State that I am not satisfied from that visit, or from the discussions that I had with Tanzanian Ministers and also with his officials, that the money in question is properly accounted for, which is why I am making this point.

Dr. Roberta Blackman-Woods (City of Durham) (Lab): The longer I listen to the hon. Gentleman's arguments, the more concerned I am, especially when he suggests that DFID money is somehow being frittered away and not being properly accounted for. I visited Uganda quite recently. He is missing the point that a lot of DFID money goes towards parliamentary strengthening so that the countries to which we award money can account much better for the money that they spend. He is quite wrong to suggest that the money is not accounted for properly.

Mr. Mitchell: The hon. Lady must join me in studying the important report by the Public Accounts Committee that warned the Government about direct budget support. The report bears careful study with regard to getting budget support right. I highlight the following extracts. On page 6, the report states:

"Estimates of leakage and corruption in the use of developing nations' budgets are many times higher than would be acceptable in UK domestic expenditure."

Page 12 states:

"DFID has not estimated how much funding through developing governments is wasted or used for corrupt purposes, but the estimates of others are worrying. For example, in Tanzania and Uganda other bodies have estimated that 20% of procurement expenditure is lost through corruption."

The report, which is by a highly respected Committee of the House, says on page 6:

"DFID provides budget support expenditure in countries where expenditure and output data are so weak that it cannot monitor progress effectively."

Perhaps the Secretary of State or the Minister making the winding-up speech can tell the House what their Department has done to address the serious questions raised by the Public Accounts Committee in its report.

Mr. Alexander: Of course we look with great care at all the points made by the Public Accounts Committee, but I return to the central point. Beyond the headlines and the allegations, what specific steps is the hon. Gentleman seeking for DFID to take on budget support? He has already asserted that he recognises the case for budget support in principle; he recognises that it is central in being able to provide services such as health and education, and he is united in that view with non-governmental organisations and respected voices in the development community across the spectrum. I would be grateful if he assisted the House in detailing

the specific steps that he requires from DFID and from the developing country Governments with whom we work.

Mr. Mitchell: I will come directly to the Secretary of State's point.

The fact that we give money to Governments who are not trusted by their own citizens is, I submit to the House, a serious concern. The Secretary of State should review urgently whether it is right that hard-working British families are contributing directly to the Governments of those countries. It might also be appropriate for the Select Committee on International Development to investigate the issue further, and I hope that the Chairman of that Committee will reflect on that.

I accept that giving aid directly to Governments through budget support can be the right way forward in some circumstances, but we need to apply stringent tests and to ensure that the money is used properly. Where there is doubt, the money should be given to specific sectors such as health or education, and overseen more carefully. Whenever Britain gives budget support, up to 5 per cent. of the total amount should be earmarked to help local Parliaments, civil society and audit institutes to track where the money is going and to hold their Governments to account. During a recent visit to Ghana, which rightly receives budget support, I was most impressed to witness on television Members of Parliament being held to account by parliamentarians in forthright terms for their spending of public funds. We should actively encourage that.

Mr. Alexander: The hon. Gentleman has brought his characteristic rhetorical authority to a point in claiming that we should not give budget support in all circumstances—we do not. He suggested that where there is evidence of corruption, we should take action—we do. He suggests that we should not provide budget support uniformly—we provide it to fewer than half the countries in which DFID has programmes of £10 million or more. I would be interested to hear the specific examples that he wishes to bring to the Department's attention. Otherwise, it would seem, as my hon. Friend the Member for South Swindon (Anne Snelgrove) suggested earlier, that he is making simply a rhetorical, derivative statement of what is already Government policy.

Mr. Mitchell: I clearly set out that the Secretary of State should acknowledge the approach that the Conservative party would take, were we to form a Government after the next election. I specifically raised with him—privately, but I know that he will not mind my mentioning the matter in the Chamber—budget support to Cambodia, which he has now brought to a conclusion, at least temporarily. However, he must accept my point that budget support has raised serious questions in the minds of taxpayers. In particular, he and the Department should examine carefully the report of the Public Accounts Committee. Transparency means being open and honest when we get things wrong.

The Parliamentary Under-Secretary of State for International Development (Mr. Ivan Lewis): Is the hon. Gentleman aware of the Tory "Globalisation and Global Poverty" policy commission report? It states:

"That's why the report favours direct budgetary support rather than highly prescriptive aid on one side."

Mr. Mitchell: I do not wish to repeat myself, but the Under-Secretary has heard me say that we believe that, in some circumstances, budget support is the best way in which to give aid and development support in countries. However, I have also drawn his attention to its shortcomings. As for the Conservative party's excellent report on globalisation and poverty, which I commend to him, I sleep with it under my pillow.

Mr. Alexander: The hon. Gentleman has been gracious and generous in giving way. Given his forthright assertion that budget support can, in some circumstances, be the best way in which to give aid, will he clarify the point that I have raised twice? If budget support per se is not "no strings attached aid", will he cite a single example of the Department's giving aid with no strings attached?

Mr. Mitchell: I have already made it clear to the Secretary of State that putting budget support into a general budget exercises little control on the taxpayer's behalf in monitoring its effectiveness and value for money. He does not have to take my word for it—he can take that of the authoritative Public Accounts Committee, which made that very point.

Last month, the National Audit Office report on the Department's performance in insecure environments revealed evidence of serious corruption in DFID projects in Iraq and poor project design and performance in Afghanistan. It found that only half the DFID projects in the most insecure countries achieve their aims and that almost a quarter suffer from fraud and financial problems.

As I witnessed in Afghanistan recently, brave DFID staff work hard in dangerous environments to improve people's lives, but their individual courage must be supported by radical policy and management improvements. What is the Secretary of State doing to ensure that the Department learns the lessons and implements the recommendations of that important NAO report? I hope that the Under-Secretary will comment on that in his winding-up speech.

The most important driver of international development is clearly economic growth, which lifts people out of poverty and gets developing countries on their feet. One has only to consider China, India and Brazil to realise the truth of that. However, the Doha round of trade talks has ground to a halt and shown no sign of life for many months. Now that one of the big obstacles to an agreement—the elections in the United States—is out of the way, what is the Secretary of State doing to kick-start the talks? Will he make a point of going around the capital cities of Europe, banging the drum for an agreement on a pro-poor trade deal that developed and developing countries alike can accept?

Now that the former Trade Commissioner has returned once again to a seat at the Cabinet table, and bearing in mind that he won the occasional admirer, not least from the Conservative Benches, for his efforts to free up the international trading system, will the Secretary of State consult his good friend, the noble Lord, about the steps that the Government should take to reinvigorate the Doha process?

Mr. Alexander: The temptation was too great. I assure the hon. Gentleman that I will speak to the noble Lord Mandelson later this afternoon. Even before the US

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election, we spoke to the Obama and McCain campaigning teams about the urgency of the US recognising the need for a global trade deal. I assure the hon. Gentleman that it remains high on the Government's agenda to work with all parties to find a way forward for Doha and, more broadly, global trade.

Mr. Mitchell: The Secretary of State is to be commended for his conversations with the noble Lord.

In stark contrast to the positive potential of economic changes, the most malignant factor among many that stop development working is conflict, along with bad governance, corruption and instability. These are what keep people mired in poverty and condemn them to a life of misery and fear.

In Burma, we have just witnessed the disgusting spectacle of 14 brave pro-democracy protestors being handed jail terms of up to 65 years for their part in last year's protests. I am sure that the whole House will want to express its solidarity with the people of Burma in their struggle for freedom and democracy. Last year, the Government agreed to increase British aid to Burma, after sustained pressure from leading NGOs and Opposition Members. Perhaps the Minister could update the House on how that aid is being spent and what it is achieving.

In Zimbabwe, millions of people are suffering at the hands of Mugabe and his henchmen. Hundreds of thousands of people have been displaced, many across the Limpopo river into South Africa, and the economy is in ruins. It is clearly right that we should stand by the people of Zimbabwe, because otherwise they will lose out twice over: first, from having selfish and tyrannical leaders, and secondly, from a lack of much-needed support. What is DFID doing to support the people of Zimbabwe through the brave and determined NGOs on the ground, and what precautionary steps is it taking in the face of the looming food crisis there?

In the Democratic Republic of the Congo, a humanitarian crisis has seen many thousands of people driven from their homes in only the clothes that they were standing in.

Mr. Newmark: On the subject of that conflict, does my hon. Friend think it helpful that Mrs. Rose Kabuye, the President of Rwanda's chief of protocol, was arrested just four days ago during an official visit to Germany, as a result of a highly dubious decision by a French provincial judge?

Mr. Mitchell: My hon. Friend makes a fair point. Considerable concern has been expressed about the improbability of the charge that Mrs. Kabuye faces and about the process being conducted. Perhaps my hon. Friend has heard what Louis Michel, the European Commissioner, said yesterday. He doubts the validity of the French report that led to Mrs. Kabuye's arrest and has called on the French judiciary to establish the truth. My hon. Friend will also have noted the concern expressed by the African Union that the decision amounts to pursuing a French Rwandan agenda, which is most unhelpful at this time. I very much agree.

There are occasional confusions in the Congo between the symptoms and the causes of the appalling situation there. The true cause lies with the failure to disarm and repatriate the rump of the Hutu genocidal regime, which fled to Kivu from Rwanda in 1994 and has never left. That is the crux of the matter. It is the presence of those forces that allows General Nkunda to claim the spurious pretext of protecting the Tutsi population.

The conflict has deep-seated roots and as the days go by, the crisis gets worse, not better. I hope to be in Goma this weekend to see the humanitarian situation for myself. It is not correct that fundamentally new political agreements are needed. They are already there in United Nations resolution 1804 of March this year, in the Goma agreement of January, which was signed by 22 armed groups, and in the Nairobi communiqué of last November between the Governments of Rwanda and the DRC, which was reaffirmed last weekend. Nor is it true that MONUC—the United Nations Mission in the Democratic Republic of the Congo—lacks the mandate to provide threatened communities with the necessary defence. We are talking about a chapter VII assignment, which enables such power as the UN can deploy to be used to protect civilian populations. The issue, therefore, is not the mandate; it is the effectiveness and capacity of the force.

We on the Conservative Benches accept that European Union troops might need to be deployed. I would make two points about that, however. First, such deployments would give an opportunity to European countries whose armed forces are not so overstretched to play a meaningful role, if at some point it is decided to send European Union troops. Secondly, the UN force on the ground in the DRC now is already the largest in the world, with no fewer than 18 countries providing troops and direct support, and is already deployed in Goma. That force is the first and best way for the international community to exercise its responsibility to protect. We welcome today's announcement by the UN that the force is to be reinforced. If the force is deemed insufficient and if, God forbid, its members are hurt defending civilians from attack, the international community must immediately stand by and reinforce them. Otherwise, the responsibility to protect will be seen as a piece of international grandstanding by the world's leaders—a sham, with neither credibility nor bite.

Dr. Murrison: It is clearly a matter for those countries involved in what we might call the coalition of the unwilling to determine whether they want to commit the EU battle group—the one not provided by the United Kingdom. Does my hon. Friend agree that it is important to make it clear to those countries, particularly France and Germany, that any deployment of EU troops does not absolve them from their responsibility to take a full and proper role in Afghanistan, to which they are committed?

Madam Deputy Speaker: Order. May I remind Members that the points made in that intervention are rather wide of the mark of today's debate?

Mr. Mitchell: I am most grateful to you, Madam Deputy Speaker, for keeping me on the straight and narrow.

The international community, through the UN, must not simply will the end through its resolutions; it must also provide the means. It is the UN that is there already, and to the UN that those caught in this dreadful

crisis are looking. Any attack on those UN soldiers who are today in harm's way in Goma and the Congo, from whatever source, is a direct attack on the international community and on all of us. The House would be failing in its duty if it did not recognise that.

Today's debate gives us the chance to salute and thank all those who are involved in the battle against global poverty, to recognise the causes of that poverty and the many different ways of tackling it, and to spur the Government on, to ensure that Britain continues to play the extremely important role that the House has consistently supported and endorsed.

3.56 pm

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): It is always a pleasure to follow the hon. Member for Sutton Coldfield (Mr. Mitchell). He said many interesting things, and I particularly welcome what he had to say on the importance of reaching an agreement and of trying to remove conflict in the Democratic Republic of the Congo. I hope to return to that.

My right hon. Friend the Secretary of State made a quite excellent speech, as one would expect. Based on the policies that his Department is pursuing, transparency was very much apparent. We have made considerable progress, even in the past couple of years but, of course, we all accept that a challenge remains.

Before I turn to the substantial points that I intend to make, I must say that the hon. Member for Sutton Coldfield has a tough job in trying to persuade his colleagues on the Back Benches to share the positive approach that he is now adopting. I wish him well in that pursuit. I hope that that does not sound as if I am chastising the hon. Member for Westbury (Dr. Murrison).

Mr. Andrew Mitchell: I am happy to reassure the right hon. Gentleman, and to lift from his shoulders that unhappy concern by saying that the policy that I have enunciated and set out today has the full and total support of the shadow Cabinet and the parliamentary party.

Mr. Clarke: Nobody in the House who welcomes the consensus that we thought was being developed would do anything other than welcome that. However, we cannot ignore the interventions that were made. They were almost entirely negative, which does not help the hon. Gentleman in his task.

Mr. Crabb *rose—*

Mr. Clarke: I will give way once more. I know that others want to speak, so I shall respond to the intervention, then carry on with the points that I want to make.

Mr. Crabb: The questions from some of my hon. Friends during the Secretary of State's opening speech to which I believe the right hon. Gentleman was referring were reasonable and current. They were about middle-income countries and countries that, through their economic growth rates, are approaching that status, and how compatible that is with current levels of aid to those countries. They were entirely reasonable questions to ask. The right hon. Gentleman should not infer that Conservative Back Benchers are somehow not in favour of meeting the 0.7 per cent. of gross national income target, or wider international development policies.

Mr. Clarke: Even that intervention, when combined with what was said earlier, leads me to make a couple of points that, frankly, I had not intended to make—*[Interruption.]* I did not interrupt any Opposition Members. This is a democracy, but it is also an elected Parliament in which some of us are entitled to express our opinions.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): All of us.

Mr. Clarke: Indeed. I agree that we are all entitled to express our opinions, and I am about to express mine.

We were asked, for example, about India. What are we to assume from these interventions? Members of all parties visited India a year or two ago to examine the very serious issue of tuberculosis, yet 1,000 people still die there every day. Quite frankly, the people we met there in the saddest of circumstances were not asking questions about their Government's foreign policy or about nuclear weapons. The same applied when, as I vividly recall, we visited Uganda. Lord Steel was with us on that visit. We sat outside a mud hut where a young man, surrounded by his family, friends and other villagers, was within just a few hours of dying of HIV/AIDS. Again, frankly, most of those people did not ask about the policies of their Government. I am not saying that we should not ask about them, but what I am saying very strongly is that I have never believed that individual human beings, wherever they live, from Delhi to Darfur, should be punished because of the policies of their Governments.

Let me continue with the points that I had intended to make. Given the global crisis, I welcome the commitment given by Opposition Front Benchers as well as by my right hon. Friend the Secretary of State to foreign aid at 0.7 per cent. of gross national income by 2013 or, indeed, earlier. When I last raised this matter on 16 July, my right hon. Friend gave me an assurance that the Government were still on course to achieve that target. I believe that the House has reached a consensus on the matter over the years, notwithstanding what might have been said today, and I also know that hon. Members on both sides of the House feel strongly about it. If individual Members put it on the record that they believe in this agreement and if all the political parties adhere to it in their manifestos, I will certainly leave the House a much happier person.

I welcome this debate. As has been said, it is consistent with the aims of the International Development (Reporting and Transparency) Act 2006, which I had the privilege of piloting through the House with a great deal of support. The Act will mainly be remembered because it has led this Government—and it will be compelling for future Governments—to present an annual report to the House. Principal among the issues that we expect to be covered is how well we are doing on the 0.7 per cent. GNI target and, I hope, by how much we have advanced on it. The Act embraces our commitment to the millennium development goals. Given that its title includes the very word "transparency", transparency is clearly of the essence—and I am very pleased that the Government have taken it on board.

In the same spirit, I welcome DFID's recent annual report to Parliament, which we have not had a chance to debate until today. I genuinely believe that this report is excellent. It is an informative tome for scholars and

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members of the public alike, presenting helpful information in a clear and transparent way about what is being done and what needs to be done. Indeed, armed with that information, our debate helps to underline how important transparency is and how the report takes us forward.

I do not want to get into further exchanges with Conservative Members, but I gently point out to them the European Union issues covered in the latest annual report. Page 115 presents a comprehensive and transparent account of our relationship with the EU. It even gives the Government's interpretation of the Lisbon treaty. I do not think for a second that my right hon. Friend can reasonably be criticised on that score.

There must be transparency at every level: in the Department itself, in terms of coherence between Departments, and in the holding to account of the European Union as well as the other international bodies, including the World Bank and the International Monetary Fund. I welcome DFID's commitment to the international aid transparency initiative, but the truth is that it works both ways. The developed countries must know where the money is supposed to go, and the developing countries must know when it will arrive and how much there will be. The absence of that knowledge has been cited as one of the main reasons for the lack of aid effectiveness. Most important of all, the people who are meant to be helped by the aid must know when it is coming and how it should be spent. That enables us to judge whether it is being spent as effectively as we all want it to be.

There are a variety of ways in which the Governments of developed and developing countries can help. In Uganda, for example, an information campaign helped to increase the share of funds reaching schools from 20 per cent. in 1995 to 80 per cent. in 2001. We can only imagine the positive impact that that is having on people's lives.

I want to talk about some current issues, in each of which transparency is of the essence. I followed last week's debate on the Democratic Republic of the Congo, but it is appropriate to return to that important subject. I say that especially in view of the announcement by the United Nations earlier today that 3,000 more troops were to be sent to the eastern DRC. That is a positive action which I broadly welcome, but I feel that there are other countries, particularly in that region, with a wider role to play. I am thinking particularly of Rwanda. As this is a debate about aid and transparency, I think it appropriate to point out that we give the Rwandan Government £46 million in aid every year. I think that I am as familiar as anyone can be with the circumstances in Rwanda and the DRC, both of which I visited recently. On those visits, along with colleagues, I had the opportunity to meet Presidents Kabila and Kagame.

As was mentioned in last Thursday's debate, our programme of aid for Rwanda comes with a 10-year memorandum of understanding that expressly states that the Rwandan Government must be committed to regional stability. It was therefore a great shock to me to read the following comments of a spokesperson from the Rwandan Foreign Ministry:

"The prevailing assumption that the crisis is a matter between Rwanda and the DRC is wrong, contrary to what some in the international community continue to say. This misconception leads some parties seeking to intervene to demand a meeting between the heads of state of Rwanda and the DRC as a solution to the internal crisis in the DRC."

That strikes me as somewhat naive: The DRC crisis is a problem on Rwanda's doorstep, and President Kagame's unique status gives him the opportunity to exert a positive influence on an outcome that could lead to the kind of reconciliation that Rwanda itself has experienced.

Mr. Mitchell: I, too, noticed that comment, and I was surprised as well, but I think there is a clear explanation. The conflict is not between the Congo and Rwanda, which is why, as I understand it, the President was unwilling to attend a bilateral meeting with President Kabila. He did, however, attend a meeting in Nairobi last weekend with a number of Heads of State of countries affected in the region.

Mr. Clarke: I am grateful to the hon. Gentleman for that helpful intervention. We all support the UN's efforts to try to get a solution to this dreadful problem.

In that situation as elsewhere, mineral extraction has once again formed the backdrop to tragic events. At this juncture, I would like to touch on the comments made in last week's debate by the Minister of State for Foreign Affairs. He spoke about the extractive industries directive, an initiative that I wholeheartedly support. In the same debate the Under-Secretary of State for International Development, my hon. Friend the Member for Bury, South (Mr. Lewis), who I very much welcome to his post and who is to wind up the debate, undertook to look into transparency in mineral extraction. I was wondering whether he would take the opportunity to inform us further of the Government's thinking.

There are challenges of poverty eradication, providing clean water, reducing the rates of infant mortality, substantially improving health care, investing more in education for girls and boys and dealing with conflict and its effect on developing countries. They are ongoing, as is the importance of climate change and the environment—all of them encapsulated in the millennium development goals. It is in that spirit, too, that I welcome not only DFID's annual report to this House, but the UN's 2008 millennium development goals report, which offers insight that can lead to real optimism. Those objectives and much more can be achieved only on the basis of the transparency to which we are absolutely committed.

The existence of corruption, the absence of accountability and the need for good governance are compelling reasons for all the actions that the Government have taken and which my right hon. Friend explained in his opening speech. A debate of this kind would be incomplete were we not to take on board the impact of the global economic crisis on the poorest countries in the world today. The truth is that whatever anxieties we in the western world are experiencing, they cannot be compared with the devastation on top of existing poverty that those who live in developing countries find are heaped on their misfortunes. There is no prospect of a level playing field and it would be idle to pretend that it is within our reach. What we can do is acknowledge that declining commodity prices, disappearing markets, unfair trade practices and even the fear that we in developed countries feel about our own situation as we struggle

with current reality is adding to the poverty of ambition of millions of people in Africa, Asia, south America and elsewhere.

That is why I would like to ask the Minister today to explain DFID's thinking on some of these matters. What special consideration has been given to the global economic crisis and its effect on developing countries' economies? Is a specific plan being formulated to offer both fiscal and technical guidance in respect of the problems those in the developing world now face? Surely those fellow citizens will feel the brunt of the storm.

It is fashionable to quote President-elect Obama and equally so to scorn those who do so, but I will end by quoting Obama—

Mr. Clifton-Brown: Will the right hon. Gentleman give way?

Mr. Clarke: If the hon. Gentleman would not mind, I am almost ready to wind up.

I will end by quoting Obama quoting President Kennedy:

"To those peoples in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required... not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich."

4.14 pm

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): I hope that the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) will not take offence if I say that this debate has had a surreal quality to it, because that is in no way a reflection on his contribution. Again, I pay tribute to the sterling, unrivalled work that he has done in this Chamber over many years on international development and to his groundbreaking legislation, which is at the centre of today's debate. My observation about the surreal nature of the debate is based on the complexities of what we try to resolve on occasions such as this. Perhaps only in this arena could we be talking with such passion about untied aid that definitely has strings attached. Those who are new to the debate will not fully comprehend that.

What such people will understand, and what they will have seen, are the stark television images of the past week—the contrasting images from Africa. On the one hand, we saw the despair in the Democratic Republic of the Congo and, on the other hand we saw the elation in the village of Kogelo in western Kenya at the election of Senator Obama to the presidency of the United States of America. One image was a bleak reminder of the cycle of conflict and crisis that have typified much of the development debate over generations, and the other was a celebration of the close human links between the developing world and the rich west. As the right hon. Gentleman said, we must hope that under a new American Administration those will be strengthened considerably.

Different contributors this afternoon have made reference to the tragedy of what is going on in the DRC—up to 1.6 million people have been displaced, and there are real concerns about the 100,000 or so north of Goma who are beyond the reach of aid agencies. The situation is desperate, and I join others from across the House in hoping that the United Nations Mission in the Democratic Republic of the Congo receives the reinforcements that have been announced today, which it urgently requires to deal with the situation, and that the diplomatic efforts are successful in restoring peace and implementing the Goma agreement.

David T.C. Davies (Monmouth) (Con): Does the hon. Gentleman agree that those forces will need clear rules of engagement that will allow them to shoot people who are walking around with guns? Without such rules, there will be no progress.

Mr. Moore: I agree with the hon. Gentleman. I understand from his colleague on the Front Bench, the hon. Member for Sutton Coldfield (Mr. Mitchell), that that has been clearly set out.

Mr. David Drew (Stroud) (Lab/Co-op): Does the hon. Gentleman accept that one of the problems that we face, particularly in Africa, is that, in a sense, out of sight means out of mind? What is happening in the DRC, a country I visited some years ago, is terrible, but the situation in Darfur is as bad as it ever was and it has fallen off the front pages because of events in the DRC. The west, in particular, is very bad in this regard, because it loses interest. As a result, I fear that momentum will be lost and some of the changes that were taking place in Sudan will not now happen; and next year is a particularly important one, given that elections are to take place. I am sure that the hon. Gentleman shares my misgivings.

Mr. Moore: The hon. Gentleman's valid point puts an extra onus on all in this House who have an interest in these matters and care all the time about them to ensure that we bring them back to the forefront of the agenda. Although Darfur has not been mentioned other than in his intervention, I hope that we might have the chance in the near future to debate the humanitarian situation there and the efforts that are being made by the Department for International Development to support the communities affected.

The scale of what is going on in the DRC, which is fresh in our minds, is staggering. For example, 100,000 people constitute the population of the entire region of which my constituency forms a part, and to imagine every last person there being beyond help, as so many are north of Goma at the moment, is striking and worrying. I hope that as the Secretary of State did not get the opportunity to focus on that situation in his speech, the Minister who winds up the debate will be able to talk about the aid package for the DRC. We hope to see it successfully delivered on the ground in the next few weeks as the situation unfolds.

The right hon. Member for Coatbridge, Chryston and Bellshill touched on the global financial crisis, and this debate takes place at a defining moment for development, with the developing world facing fundamental challenges in this fragile financial situation. The international focus has so far been on creating stability and injecting vast capital sums to secure domestic financial systems. That is the correct thing to do, but the danger is that the impact of the crisis is so great that we will overlook what is happening in developing countries.

[Mr. Moore]

This weekend, leaders of the G20 will gather to tackle some of the pressing issues. The reform agenda of the Bretton Woods institutions will be central to those discussions—and not before time—although we must hope that that is not where the discussions end. Already, countries around the world are resiling from their aid commitments. The UK must help to stop that trend in its tracks. It has been made explicit this afternoon that all hon. Members on both sides of the House support the UN target of 0.7 per cent. of GNI in overseas development assistance. We have to push everyone else to continue in that direction and not to move backwards.

Malcolm Bruce: Does my hon. Friend share my concern that Italy is likely to take over the leadership of the G8 at a time when it has effectively dismantled its aid programme and abandoned its commitment to aspire to even half of the GDP target that others are working towards? Should the European Union take that up with Italy if it is to have the responsibility of leading the world on the issue?

Mr. Moore: I agree. This country works in close partnership with Italy, and it is a great shame that it has taken those backward steps, especially as it is to take that key leadership position. It is important that we do not allow that to distract us from our global efforts towards what is, frankly speaking, only a modest target. It is only a very small amount of money.

Anyone who doubts the scale of the challenges that we face need only cast their minds back to the debate in New York at the summit on the millennium development goals. The right hon. Member for Coatbridge, Chryston and Bellshill was right to celebrate the optimistic elements of that summit, and I do not wish to be a naysayer. However, the MDG report by the United Nations highlighted the fact that the proportion of people living on less than $1 a day in sub-Saharan Africa is unlikely to be reduced by the target of 50 per cent. A quarter of all children in developing countries are considered to be underweight and at risk of their future being blighted by the long-term effects of under-nourishment.

This debate is not primarily about the MDGs. The global meltdown in the financial markets almost completely overshadowed the summit at the time, but we need to bring back the issues considered to the forefront of public debate. Renewed efforts must be made to try to ensure that we regain some of the momentum that we had towards reaching those targets and our broader development goals.

As both Front Benchers have so far indicated, there is a strong appetite among the public to try to understand our development objectives. High standards are always demanded when we spend taxpayers' money. Some people are even questioning our commitment to the level of support we give. Some do so directly, because they think we should spend the money here at home, and some do so indirectly, because they do not support the specific goals being funded. On the first point, as I said a moment ago, at the moment we offer a tiny proportion of our wealth as a country. On the second, I do not believe that anybody should tolerate corruption and we must be rigorous in tackling it.

Like the hon. Member for Sutton Coldfield (Mr. Mitchell), I hope that at some point we can have some clear answers from the Government about the two different reports this year that have set out some criticisms of the Department. I hope that the Department will take them as challenges to improve. On balance, I think we would all accept that DFID always seeks to tackle overseas development and to eradicate corruption, but it would be presenting a false picture if we were to suggest that there was not still a major problem.

In our debates, we often focus on how much assistance we give. Equally, we know the costs of delivering development assistance in an inefficient or ineffective way. There are real perils if we turn a blind eye to corruption. Progress might indeed be grindingly slow, but the debate about the "How?" rather than just the "How much?" of international development is not new. The Paris declaration, followed up in Accra a few months ago, put the spotlight on that. The subheading of the declaration in 2005 illustrated the size of the challenge facing donors and recipients. Seeking to increase the effectiveness of our aid, the signatories highlighted their commitment to promoting ownership, harmonisation, alignment, results and mutual accountability. Transparency is the theme that runs through each of those ideas.

At Paris, both donors and recipients committed to a range of improvements to the respective aid management and disbursement systems, which ranged from increased use of local procurement systems by donors to broad overhauls of budgetary and public financial management systems on the part of recipient states.

The Accra conference this year offered the international community a second opportunity to iterate its commitment to positive action on improving the effectiveness of aid and assessing progress towards a series of medium-term goals outlined in Paris that are due to be achieved in less than two years' time. What emerged from Accra was a picture of partial successes and piecemeal progress towards the 2010 goals. Although the Accra agenda for action welcomed the improvements that we have seen in areas such as the co-ordination of donor funding, it outlined the need for urgent action on country ownership, increased efforts to build more inclusive partnerships for development and a more results-oriented and accountable approach to aid, all to help to ensure that we meet our commitments on aid effectiveness within the agreed time frame.

The Secretary of State spent some time talking about the international aid transparency initiative, as we would expect. The benefits of transparency within the development process are hardly controversial. However, I would like to understand the extent to which the new initiative offers something different and adds value to what already exists. Some measures repeat commitments that have already been made by the signatories of the high-level conference in Accra.

For instance, the commitment of the signatories to the new initiative to provide more reliable and detailed information about intended future aid does not appear to differ from the commitment set out in the agenda for action to provide full and timely information on aid commitments and actual disbursements. The initiative's commitment to be transparent about the conditions attached to aid similarly differs little from the Accra commitment regularly to make public all conditions attached to aid disbursements. Any new initiative is welcome, and I appreciate that that initiative was as

much as anything probably born out of frustration at the pace at which change happened, but the Government will have to make a much stronger case about what it is adding that is different.

In previous exchanges, we have also explored the extractive industries transparency initiative. Hon Members have rightly mentioned the many different economic factors that contribute to conflicts in places such as the DRC. In particular, they have pointed to the impact that the extractive industries and the illicit trade in such commodities have in generating revenue for militias and others.

We strongly support the aims of the EITI, which has been endorsed by the World Bank and the International Monetary Fund, but its impact has been too limited so far. As Global Witness has said:

"The EITI is a groundbreaking effort to remedy the lack of transparency and enable better public oversight of these industries. But six years after its launch the EITI remains a promising but highly fragile initiative."

We have yet to see any country complete the implementation process officially, so the greater transparency that has been promised is nowhere near as full as we would hope.

A recent report from the Bank Information Centre has shown how the World Bank and the IMF are falling short in promoting and implementing the EITI. If even those bodies, which are supposed to protect the interests of vulnerable countries, are failing on this issue, it is hard to see why the industries themselves should be performing any better.

The initiative is approaching a "crunch" moment between now and March 2010, when candidate countries must complete the process to become EITI compliant. That process will need enormous support and encouragement from Britain, which is the initiative's founder and oldest supporter. I hope that the Minister will set out the steps that the Government are taking to ensure that candidate countries receive all the support that they need to make progress towards EITI compliance on time. In addition, what steps are the Government taking to support civil society groups in those countries, so that they can participate freely and actively in the moves towards compliance?

Critical producers and importers such as India, China and Russia are not involved with the EITI, and other countries think it is some kind of developed-world plot to undermine their industry. Surely that is where a lot more of our efforts need to be focused, at the same time as we ensure that our own house is in order.

We in this country must lead by example if we are to reach the objectives that we have set for the development assistance that we give, and for the countries that we support. One area where we have yet to show that lead is that of tax transparency. The international community will gather in Doha later this month, as the Secretary of State noted, to take the next steps towards financing the gaps in international development. We support the Government's agenda in that respect, but *The Observer* reported recently that the UK seems to be lobbying to remove paragraph 10 from the draft Doha outcome document.

The offending paragraph states:

"We will strengthen efforts to increase tax revenues through more effective tax collection and modernisation of tax legislation including through simplification of the tax system, broadening of the tax base and strongly combating tax evasion. To support individual country efforts in these areas, it will be important to enhance international cooperation in tax matters and broaden participation in the development of international tax norms and rules. We will consider strengthening the UN Committee of Experts on International Cooperation on Tax Matters by upgrading it to an intergovernmental body."

According to *The Observer*, the Treasury is blocking the whole paragraph and a spokesman was quoted as saying:

"The UK makes an active contribution to the existing UN tax committee. It is not clear that an upgrade to the existing committee...would deliver any additional benefit."

I want to know whether the newspaper is correct. If it is, how on earth have we found ourselves in the position of lobbying against something that looks pretty inoffensive and is perhaps just basic common sense? Indeed, should we not be actively lobbying for the inclusion of that paragraph? I hope we can get reassurance on that, because if we do not show a lead on the issue, how can we expect to be followed on much of our agenda?

All of us in the House support wealth creation as a crucial element of long-term sustainable development. Private companies have an absolutely fundamental role to play in that, but it would undermine support for a fundamental tool of international development if we sent out any signals that we were less than wholly committed to appropriate tax behaviour.

The Government have taken a welcome lead on many aspects of transparency. They are open about their own expenditure, in large part as a result of the International Development (Reporting and Transparency) Act 2006, introduced by the right hon. Member for Coatbridge, Chryston and Bellshill, which has been referred to a few times. However, there is one area where I remain perplexed about the apparent reluctance of DFID to ensure the transparency of its activities.

CDC is a significant player in the world of development investment. It invests public money in companies in the developing world. Indeed, its spending contributes directly towards the UK's development spending figures, and forms part of our progress towards the UN 0.7 per cent. official development assistance commitment. The Under-Secretary of State, the hon. Member for Bury, South (Mr. Lewis), will be aware that I have raised various issues relating to the accounts of CDC's subsidiary companies and its investment funds in recent months. There is a real issue there to do with tax transparency. Why is CDC using tax structures to shelter its investment?

Christian Aid recently produced an important report entitled "Death and taxes: the true toll of tax dodging". It quoted a senior adviser to the Tax Justice Network, who said that the tax rates enjoyed by CDC

"are just about the lowest I have ever seen. They make the most advanced tax planners look like amateurs.

They are the result of statutory tax exemption for CDC in the UK and negotiated exemptions overseas. It sets the most appalling precedent that companies investing in developing countries should not expect to pay tax."

I understand the exemption from UK tax, as it allows the re-investment of profits earned on investments overseas; what I do not get is the avoidance of tax elsewhere. A cynic might wonder whether a public body should strictly follow the best practice of the private equity world. Someone even more cynical might wonder whether the agenda is to position CDC in a way that makes

[Mr. Moore]

future privatisation look as attractive as possible. The Department has to rethink the guidance that it gives to CDC. There was very little about that in the new investment guide, policy and code published just last week. The issue is undermining Britain's position as a leader on such issues. I hope that we will see a change of policy.

Amid all the current world crises we must not forget the developing world. We must not lose sight of the broader battles to achieve the millennium development goals. Transparency is a fundamental issue at the heart of every aspect of our debates. If we are to take a lead, we must also set an example. Although the Government have much to take credit for, they still have a great deal of scope for improvement.

4.38 pm

David T.C. Davies (Monmouth) (Con): Like some of the previous speakers, I have visited Uganda with the Commonwealth Parliamentary Association on a cross-party visit. Like others speakers, I came back with vivid memories of the country. Yes, there was an enormous amount of poverty there, which I will come to in a moment, but surprisingly, in parts of Kampala, and on the road between the airport and the capital city, there were obvious examples of large amounts of wealth. One day, a number of us flew to a refugee camp in the Gulu province. As has been mentioned, we sat around a mud hut where there were people suffering the effects of malnutrition. There was very little food, and people were getting what they could from the UN agencies. People faced the constant threat of being robbed or raped at gunpoint by the Lord's Resistance Army and other terrorist organisations. There was something particularly surprising about that scene because when one sees such images on the television, one naturally assumes that they are of refugee camps out in the middle of nowhere, but just a few miles down the road, we were able to drive into a fully functioning town with paved roads, its own radio station, and a bustling market. We were treated to a banquet, which all the local dignitaries attended, at which we discussed the fact that not enough aid was getting through and that there was not enough transparency.

Another day, back in Kampala, we were treated to an official dinner by the Ugandan Government—another great big banquet, with course after course in the Sheraton or perhaps the Hilton. Once again, we nodded over coffee and ice cream, and agreed that there was not enough aid coming through to African countries, and that there was not enough transparency. Afterwards, I wandered outside for some reason, and I saw a long line of sleek, black Mercedes-Benz with chauffeurs. Doubtless, if I had been able to go over and talk to them—they were there to collect Members of Parliament and Ministers who attended the dinner—and if they were minded to exchange small-talk, they, too, would have agreed that there was not enough aid coming through to central Africa and that there was not enough transparency.

I wanted to discuss those issues with DFID in Uganda, and I was looking forward to meeting its officials when we visited the British embassy, but there was no sign of DFID there. The British embassy has been heavily upgraded in Uganda, as I am sure many other embassies in that part of Africa have been. Millions of pounds have been spent on it, because it is a huge security risk and terrorist target. It is quite right that the money has been spent, but there was no sign of DFID in the embassy. It did not like being there, and wanted to be elsewhere, so it had rooms on the other side of Kampala in a luxury suite of offices—a first-world building in a third-world country for which, I am sure, the British taxpayer paid first-world prices. I looked forward to speaking to the head of DFID in Uganda and asking him about transparency and why we were not saving money by locating the Department in the British embassy. However, I could not do so, because he was busy doing something else. He was doing important things—too important to speak to a cross-party group of Members of Parliament representing the taxpayers who paid his salary. We were not told what he was doing, but it was made quite clear to us by his deputy that our appearance in Kampala was somewhat inconvenient. Perhaps the Minister will pass on our apologies for troubling them when he next visits the place. However, I never found out much when I was in Uganda.

Mr. Ivan Lewis: Does the hon. Gentleman realise the offence he has caused to the remarkable men and women who work in incredibly difficult circumstances, not usually motivated by financial or material gain, often risking their lives on behalf of this country? Will he apologise for giving a misleading, out-of-context impression about the contribution of our amazing staff on the ground in many of the most challenging countries of the world?

David T.C. Davies: No. If the Minister cares to look at what I just said, I made a factual comment. *[Interruption.]* Hang on, will the Minister listen to me for a moment? I made a factual comment about the head of DFID in Uganda who was not able to see us on a cross-party visit with the Commonwealth Parliamentary Association in 2006. If he wants to check his facts, I am more than happy for him to do so. What I am giving is a factual statement, and I am not making any comment about DFID members of staff in other parts of the world. The Minister had better check the record, and perhaps he will apologise to me when he has done so and realises that his comments were a complete misrepresentation of what I said. I do not believe, however, that members of DFID are risking their lives in Kampala. They would do so if they went to northern Uganda and Gulu province, but they are based in a first-world office block in Kampala. No doubt, they go to that province on occasion, but it is not where they are based, and Kampala is not a particularly dangerous place. If it was, I was risking my life, along with other Members of Parliament, many of them in the Chamber today, who have been there.

My experience of DFID led me to table a few parliamentary questions. One of the first was about the number of offices that it had. Now, I shall give the Minister credit for one thing, which is that DFID's mission statement, when compared with most Departments', is—surprisingly—absolutely clear and, I might add, a refreshing change. Its website states that DFID is all about handling Britain's aid to the world's poorest countries, so I looked through the list of places where DFID has offices, and I was surprised to find that among the places that are presumably considered poor are Paris, Vienna, Geneva and Brussels. The United

States of America obviously suffers from a great deal of poverty, because it has two DFID offices, one in Washington and one in New York.

I should like to know from the Minister why we have a base in sunny Barbados, where the average GDP is $19,000 per head. It also benefits from the munificence of the British taxpayers and the presence of a DFID office, which, the website states, is there to draw up regional development plans. No doubt if any staff take offence at my speech, they will demand that I come over and see how hard they are working. I might be available around about Christmas time, if the Minister wants to sanction that one.

There are other offices about which I have questions, and other Members have already mentioned some. Those offices are located in cities in Brazil, South Africa, Thailand and Russia. Poverty exists in all those countries; there is no doubt about it, but those countries also have huge amounts of wealth. They are not really the poorest of the poor, but countries where, if there were a will, something could be done about the existing poverty. In the case of Russia in particular, I find it extraordinary that, on the one hand, we make bellicose statements to its Government about what they have done in South Ossetia, even though it now appears that the whole thing was started by another country, while, on the other, we hand out aid to them. It seems to be a remarkable contradiction. Yes, people are dying of tuberculosis in India, and that is an absolute tragedy, but there are people dying of starvation in British hospitals, and that is also an absolute tragedy.

The fact is that we should send our aid to countries where we can make a difference. Why on earth, therefore, do we bother to send millions of pounds in aid to China, for heaven's sake? China is likely to overtake America as one of the world's great superpowers over the next few decades; it is spending millions of pounds on its space programme and on its nuclear weapons; it has just announced that it is going to try to build a bigger navy than America's; and, irony of ironies, we saw plenty of evidence of China's own aid programme in Uganda, where it is building Government offices. We give money to the Chinese, and the Chinese give their money to African nations, securing all sorts of concessions in return. The idea that in 20 or 30 years' time, the Chinese, as one of the world's pre-eminent superpowers, will look back and think, "Oh, we'll treat the British slightly differently because they gave us what in relative terms was a small amount of money," just shows the left-wing, colonial and patronising attitude that is all too prevalent in some parts of the Government and, dare I say it, in Departments. They think that because we give out relatively small amounts of money, somebody is going to care or remember in a few decades' time. It is complete and utter naiveté, and as someone who has a Chinese family, I can assure the House that the Chinese must be laughing up their sleeves at it.

One of my basic concerns is that we are spending a vast amount of money paying first-world salaries and first-world rents for offices in countries throughout the world. The parliamentary answer that I have before me is about two years old, but it is simply a list of all our DFID offices. I totted them up, and there were about 80.

Mr. Lewis *rose—*

David T.C. Davies: I am more than happy to give way to the Minister. Perhaps he could try to be more polite when he makes his point this time.

Mr. Lewis: Is the hon. Gentleman aware that even his own party's Front-Bench spokesman refers constantly to DFID being a world leader in development? For all the legitimate questions that the hon. Member for Monmouth (David T.C. Davies) raises about the direction of policy, that is a point that his own Front-Bench spokesperson—from the shadow Cabinet—makes time and again. Will the hon. Gentleman apologise for being so offensive about the role of DFID front-line staff? I do not mind what he says about me.

David T.C. Davies: I point out to the Minister that this is an opportunity for me to put questions to him through the Chair; if I want to raise issues with a Front-Bench spokesman, I can do that in a different way. I do not mind how offensive the Minister is to me. I meet people far more offensive than him every Friday night when I work as a special constable, although he is coming close in some respects. However, as a Minister of the Government, he might care to reflect on the fact that we are allowed to express ourselves and raise criticisms in this place. I am surprised that he finds that so offensive.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I make an appeal for the debate to return to a more even tenor. The personal aspects on both sides are jarring to the general theme of the afternoon.

David T.C. Davies: I am more than happy to return to the subject of the debate, Mr. Deputy Speaker. The point that I was trying to make—I am sorry if the Minister finds it offensive—is that DFID has a large number of offices and staff, and a limited budget. We can argue all day about whether that budget should increase, but we should all agree that it should be spent as wisely as possible. I am suggesting that rather than having 80 offices all around the world in places such as Paris, Geneva and Brussels, we concentrate on a dozen or two dozen of the very poorest countries in the world, perhaps those with previous links to Britain. We should concentrate as many of our efforts as possible on reducing the overheads and spending the money—whatever the budget—on those who need it.

Mr. Lewis: Is the hon. Gentleman aware that in this context the most important thing that this country can do, apart from being a donor country, is to influence international institutions and other donors so that they step up to the mark and make the right decisions on international development? That is why we need offices where the international institutions are located. It is important and in our national interest that we should lead on influencing development policy across the developing world.

David T.C. Davies: The Minister overlooks the fact that that is the role of embassies and the Foreign Office. Earlier, he made it clear that he condemned the idea of giving out foreign aid with strings attached about how Governments should run themselves. He needs to make up his mind about his own policy; he has contradicted himself throughout this debate. If we give out money with no strings attached, we should not concentrate on foreign policy at all but simply make sure that the money goes to those who need it most.

[David T.C. Davies]

I put it to the Minister, with respect and courtesy, that we would do far more if we concentrated on 12 or 20 of the poorest countries in the world, rather than trying to spread ourselves thinly throughout the world and making what in many cases will be a very small difference. The Minister gets angry when anyone criticises his Department, but I tell him that the role of a Member of Parliament, who is elected by taxpayers, is to ask difficult questions about how Government money is spent. I have a concern about the attitude of some DFID members of staff—not least because of my own experiences, but also because of the experiences of constituents.

I recently met a retired eye surgeon from Abergavenny. Over the years, he had done some work in Ethiopia. Having retired, he wanted to work for free. This was not some naive 21-year-old just out of university knocking on the door and asking to work on an aid programme, but a retired eye surgeon who wanted to give up his time for free and start a project training people to undertake basic surgery to enable people with certain eye diseases to see again. He told me that he got no help whatever from DFID and was treated as something of an inconvenience. The very idea that Government money could be given to an individual, even one with enormous skills and expertise, to do what the mission statement says the Department is all about, was simply incomprehensible to the officials involved. I believe the gentleman concerned because he is highly respected and because he went out and set up the charity himself. He is now training people in Ethiopia to go out and give people their sight back. In other words, he is exactly the sort of person whom we should be supporting but were not able to—presumably because people were busy drawing up action plans instead of giving practical help.

My points are that we are spread too thinly across the world and that we are in many of the wrong places. Many of the countries in which we are present are perfectly able to help themselves if they wish to and our presence will not make any difference to their foreign policy over the next few decades. If we concentrated our efforts on 12 or 20 of the poorest of the poor countries of the world, we could make a significant difference to people's lives.

4.54 pm

Malcolm Bruce (Gordon) (LD): I certainly do not intend to try to follow that pub rant from the hon. Member for Monmouth (David T.C. Davies), which seems to be considerably at odds with the views of the hon. Member for Sutton Coldfield (Mr. Mitchell) and gives a degree of discomfort to the idea that we have a modern, reformed, liberal-minded Conservative party that wants to engage in these issues. Of course, there is an entirely reasonable debate to be had about how DFID should deploy its staff and its resources and in how many countries, and what its priorities are. My Committee, the International Development Committee, regards its prime function as to call the Department to account, challenge it on its policies and make constructive recommendations, which I hope that we do.

Transparency is one of those issues that is very easy to talk about and a lot more difficult to deliver. It is not always possible to turn every expenditure of cash into a measurable result, but we must try to do it, as far as possible, for exactly the reasons that have been stated—to reassure taxpayers at home that the money is being spent effectively to achieve the objectives and to reassure people in the countries on the receiving end that their Governments are using the money to good effect.

As I understand it, a significant aspect of providing direct budget support is to try to enable the developing country to build up the capacity to control its own budget and expenditure and to deliver services, ultimately to the point at which the revenues that are generated allow the development support to be phased out and withdrawn. Whenever my Committee and I visit DFID offices in various countries, we always ask the staff to what extent their budget is being distributed under direct budget support, and what engagement they have with the people with whom they are working in government to ensure that as far as possible—allowing for the fact that it is their choice, not ours, what the money is delivered for—it is being spent properly. That is a difficult ask, and the situation needs to be consistently and constantly monitored and improved. Several of the Government's initiatives represent at least an attempt to put in place processes and procedures that will improve the quality of that process. I do not think that they will be offended if I say that we have some way to go, but that is not necessarily to suggest that we are doing the wrong things.

The hon. Member for Sutton Coldfield expressed concern about some of the countries that are receiving direct budget support and suggested that our Committee might investigate that, and we are happy to discuss whether and how we might do so in future. I assure him that we continually discuss and ask about direct budget support. We are going to visit Kenya and Tanzania in pursuit of our inquiry into sustainable development in a changing climate, but also with an awareness that Tanzania is the largest recipient of direct budget support in Africa. The Committee will want to ask about that and try to provide reassurance, which I hope might be helpful to the Department as well.

The new Administration in the United States should not be lost sight of in this context. The US Congress and the present Administration have argued that they do not approve of direct budget support and will not give it. It is sometimes argued that they are hiding behind the idea that congressional rules will not allow it, but Congress has the capacity to change its rules. It has been suggested that under the new Administration the United States might be willing to move, albeit gently, towards giving direct budget support in partnership and co-ordination with other donors, and we must not say anything that deters them from doing that. We should not say that it is fundamentally wrong, only that it is challenging and that we must ensure that it is effectively delivered.

Indeed, it is in that context that co-ordination among donors is important. If we can get all the European donors, the United States, Canada and perhaps even Japan to agree to a set of rules, or even to channel aid through the same vehicles, as we are trying to do in Afghanistan, there will be a much greater chance of delivering better accountability, better transparency and better quality aid, and we will do so in such a way that the country on the receiving end will have the capacity to absorb aid more effectively.

Mr. Clifton-Brown: Will the Chairman of the Select Committee make two particular inquiries about direct budgetary support transparency? First, my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) mentioned substitution, whereby giving aid to a country allows their leaders to spend money on jets, for example, which is undesirable. Secondly, will the right hon. Gentleman examine how much money is getting to the projects it is supposed to support on the ground, rather than being creamed off in corruption at the centre?

Malcolm Bruce: I am perfectly happy to do that, but I can also assure the hon. Gentleman that those are the sort of questions that we have asked. On Uganda, about which questions have been raised, it is interesting that the Ugandan Government had an agreement with the community about money being spent on education in which they undertook to nail on the school door a breakdown of the budget allocated, where it was coming from and how it would be spent so that the community could monitor the situation.

That brings me to my second point: we have to develop countries' capacity to monitor their own expenditure effectively. That means working with Parliaments and with civic society. When we have a debate about ownership of aid and development by developing countries, we have to understand clearly that we are talking about ownership not only by the Government, but as far as possible, by the people. We need to give Parliaments information that allows them to call their Governments to account, and work with civic society to challenge MPs and inform the public. That is probably the best defence against money being misappropriated, although we have to accept that in many cases it will take many years for a strong and sophisticated capacity of that sort to develop.

It has sometimes been argued that there is a sort of perverse, inverse relationship between aid and development. Professor Collier calls it the Dutch disease; he asserts that in some cases, the more aid a country is given, the less responsive it is—the poorer it gets, in other words. His argument is that the purchase of local currency creates a drain, which cannot be offset if there is no strong economy. To counter that, I would say that his is an argument for ensuring that the aid is of high quality and is well targeted, not an argument for not giving the aid.

Mr. Tom Clarke: The right hon. Gentleman is making an interesting speech. On Uganda, I remind him that during the visit I mentioned earlier, we had the opportunity to meet the Minister of Finance. He opened the books, and one of the most glaring aspects of what he told us was debt repayment. It was absolutely astonishing. We found that developed countries were already benefiting a great deal from the poorest countries in the world, and given the right hon. Gentleman's experience, I am sure that he would want to acknowledge the progress that we have made in that field.

Malcolm Bruce: I do. It is always difficult when one gets drawn into a detailed debate about an individual country, because of the complexity within. It is absolutely true that debt repayment, and in some cases the liquidation of that debt, has been a key part of the process. At the end of the day, it is important that future arrangements do not sink into that sort of relationship. Countries should be able to borrow, but on their own terms, not unfair terms, and with debts that can be properly serviced, not what might be called odious debt. We must avoid returning to that situation.

Two or three topical concerns have already been raised, but one has not been, and it is one on which I suspect the Minister cannot make any immediate comment. I was somewhat horrified, just before I came into the Chamber, to see John Ging being interviewed live from Gaza on BBC News 24, saying that 750,000 people there are desperately in need of food aid from the United Nations Works and Relief Agency, and that they have had no supplies delivered since yesterday. He says that the food is on the Israeli side of the border and that the Israelis are refusing to allow it to pass, which is contrary to their international obligations and the law, which permits humanitarian relief.

I hope that the Under-Secretary will at least use his good offices to ensure that the UK applies appropriate pressure so that the food gets through. Those who need it are mostly destitute women and children and unemployed men, who have no other form of income in a small territory where there is no other food to be had. That is not usually the case—even in the poorest countries, it is amazing how food can sometimes be obtained. However, given that Gaza is shut in, the problem is serious.

Yesterday, members of the Committee had the opportunity to ask the Secretary of State about the Democratic Republic of the Congo. We did not get a clear answer—he undertook to write to us—about the reason for the extent of the delay in reaching some people, or even identifying them. It was disturbing to read about and see television pictures of people who had had no food for two or three days, and sometimes up to six days. Clearly, the consequences do not require stressing in the Chamber.

Mr. Andrew Mitchell: The problem is that people are not fleeing to semi-established or established camps. They are fleeing, in the clothes that they stand up in, into a most inhospitable jungle territory. That is why it is taking so long to get desperately needed support to those who are suffering.

Malcolm Bruce: I understand, and I am grateful for that intervention. I am simply trying to say that we can imagine the consequences if we cannot reach those people soon.

Several of us attended the round-table briefing at the Foreign Office this morning about Afghanistan, which brought us up to date. The results of a BBC poll, based on a stark and rather silly question, were published yesterday and showed that 68 per cent. of the British people wanted our troops to be withdrawn within a year. The question did not provide any context, but revealed a problem. Liberal Democrat Members—and, I believe, most Members—believe that engagement with Afghanistan is necessary. It is in the interests of British security and right for the people of Afghanistan, even if it is a difficult and challenging place to be. There are concerns about the way in which we communicate that.

It is understandable, given that the United Kingdom's military commitment is in Helmand and that significant numbers of men and women in our armed forces are dying in that engagement, that the British people question

[Malcolm Bruce]

the reason for putting our troops in harm's way to that extent in such a far-away place. That tends to lead to an exclusive focus on what happens in Helmand, and does not take into account the fact that Afghanistan is a substantial country, and that not everywhere is in the same position as Helmand. Indeed, approximately 75 to 80 per cent. of British aid and development expenditure happens in other parts of the country through the national Government to help achieve important development objectives, such as getting children, including more than 2 million girls, back into school, and impressively providing at least basic health care throughout the country. Other objectives include improving communications and roads and are mostly financed by the United States. In other words, the picture is not all negative and bad.

The nature of society in Afghanistan means that it has never had a unified Government and bureaucracy running the entire country. It has always been run through some form of agency—local leaders, warlords, tribal chiefs and so on. It is therefore not surprising that that continues to happen to some extent. It does not mean that the country is not being governed, that state money is not being properly spent or that services are not reaching the people. However, as our Committee found when we visited, the people of Afghanistan are all too often unaware of what is happening. It is simple for a local governor to pretend that all the largesse—it is not much largesse; we are considering a very poor country—is somehow his creation rather than something that has come from the central Government. Similarly, central Government want to claim the credit, rather than admit that the help comes from the international community.

That is a dilemma. It is a problem if we cannot win the Afghan people's hearts and minds and show them that we are in a genuine partnership—a partnership between the international community and the people, to try to achieve the stability and ability to develop that they want, and between the people of our country and Afghanistan to enable it to build up a viable state.

That is a challenge for us, but we all have a responsibility to fulfil it, at least so that the great sacrifices of our forces will have been made not in vain or for a failed project, but for one that, however difficult, might ultimately be achieved. I suggest—I say this with the Secretary of State in his place once more—that there is scope for more explanation of the interaction between the military and DFID in Afghanistan and of how things work. Those of us who are engaged in the debate understand that, but even in the House and certainly among the wider public, there is a lack of understanding about how those aspects interact. There is a form of transparency that is not about just money, but about understanding aims and objectives and what is happening.

The Secretary of State quite understandably mentioned the undertakings that were made in Accra and has probably read, as I have, Simon Maxwell's blog. Having honestly said that he was not sure what Accra was all about when he went, Simon Maxwell paid tribute to the Secretary of State for the energy that he had expended in trying to secure an agreement that contained real commitments, rather than just platitudinous statements, which is what people told the Committee they feared it would contain when we visited earlier in the year. I am happy to share that acknowledgment. As Simon Maxwell also said, it is fine to get a lot of countries signing up to a big commitment, but people will want to see what that means in terms of ownership and buy-in.

That leads me back—I am happy to conclude on this point—to the relationship between the donors and the developing countries and the people living there. The reason why DFID was created as a distinct Department was to separate foreign policy from development and to focus on poverty reduction, so that development policy would not be compromised by being an instrument of foreign policy or by commercial interests. That has been a success, both in persuading the British people that our aid programme is worthy of support and in determining our approach, which has helped DFID to achieve a position of leadership throughout the world.

I must also echo what the Under-Secretary said. The entire staff of DFID comprise about 2,500 people, which includes foreign nationals employed in overseas offices. That core—the UK part of it, at least—is under the same strictures of staff reduction as staff in other Departments are. That is a challenge for the Department and there is no doubt a shortage of expertise. There are ways around the problem, ingenious or not, that need to be pursued. There are also questions about how one might prioritise—in terms not only of money, but of staff—what we do and do not do, both sectorally and in individual countries.

Although I did not take too much to the style of the speech that the hon. Member for Monmouth made, it is always perfectly possible to conduct a proper review of the number of countries we engage in and how effectively we do so, although I understand that a significant number of offices have been closed this year.

Mr. Andrew Mitchell: The right hon. Gentleman makes a good point about the constraints on numbers that operate across Whitehall, including DFID. Let me reiterate that we think it is absolutely absurd that DFID staffing figures are being restricted at a time when the budget is rising significantly. The staffing level should be set to meet that rising budget, not the reverse.

Malcolm Bruce: I take the hon. Gentleman's point. The Committee has not completed its report this year, but we certainly acknowledge the pressures and have expressed our concerns. The permanent secretary is obviously constrained by the rules across Government, but she conceded that the Department was struggling. That is something that we should take to heart.

I want to pick up the point made by the hon. Gentleman about the website, which I believe has some merit, and to ask the Department to consider it. Perhaps the Secretary of State could give some thought to the exact purpose of the website. Whenever our Committee visits countries in which we have an engaged programme, we visit DFID. I am sure that other Committees visit their relevant Departments. We usually get an extremely thorough, detailed briefing from the DFID office, showing what is being spent, what the priorities are, the breakdown, and an honest question-and-answer session. A lot of that information could be in the public domain. It would help if we could go to the website and find out exactly what the budget is and what the priorities are in more detail and in a more up-to-date way. That would

make the website more interactively beneficial and the Department more transparent. It could address some of the concerns: it is not that people are against what is being done; they just do not know what is being done, which makes them either suspicious or inclined to ask questions. Will the Secretary of State consider whether more could be done to make the information more accessible and transparent?

The Committee's report looked at how we as a country and the international donor community could work more effectively together. It became clear in that process that how effectively we can work depends on whom we are working with. The Committee, in choosing which of our European partners to have a dialogue with, made a journey from Rome to Berlin to Copenhagen and then, via video link, to Stockholm. Not to put too fine a point on it, I am glad that we did it in that order, because the reverse process would have been deeply depressing.

The reality, as far as I can see, is that the Italians have pretty well opted out of supporting the commitment to international aid and development. The previous Italian Government were in the process of setting up their own development agency; the present Italian Government have abandoned it. I am grateful that they are continuing to support the multi-national organisations, but that is probably about saving face among their peers. They support the Rome-based institutions but, beyond that, there is very little commitment.

I do not want to do a qualitative analysis, but there is a group of countries that we, the Foreign Office and DFID call the northern liberals, and which the Scandinavian countries refer to as the Nordic-plus countries—basically, the Scandinavian countries, plus the Netherlands, the UK and Ireland. We are definitely like-minded and work together. Doing so can have a huge impact in driving the right kind of development. By that, I mean development that is designed to reduce poverty, to give poor people in developing countries a degree of ownership and control over the quality of aid and development, and to help them to call their Governments to account. In that way, they can be part of the process of lifting themselves out of poverty and achieving the success and development that they have been denied for so long, but that they richly deserve.

5.18 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): This is an important debate and there is not much time left, so I shall try not to go over the ground that other hon. Members have covered.

It was slightly regrettable that the Secretary of State injected a rather partisan tone into his contribution. Under his predecessor, the right hon. Member for Leeds, Central (Hilary Benn), we had some really good international development debates in the Chamber. There was space for disagreement about how to achieve objectives, but there was a large measure of cross-party agreement on the commitment to reducing poverty. We lost a lot of time earlier in the debate with a rather artificial quarrel that was picked by Labour Members about our commitment—or our alleged lack of commitment—to tackling poverty in the world's poorest countries.

There are two backdrops to the debate, the first of which is the ongoing effort to achieve greater transparency on international aid. Tribute has been paid to the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), who introduced a private Member's Bill on the matter that made strides in that direction. However, the agenda clearly has a long way to run to establish good linkage between, on the one hand, the high-level rhetoric that we use in the Chamber about development, the commitment to tackling poverty around the world, and the nature of our interventions and assistance, and, on the other hand, the hard outcomes such as the lives saved, the children educated, and all the things that members of the public would understand.

The second backdrop is the current economic crisis, which is not just a crisis for the developed world, but very much for the developing world, too. Other Members may not share my experience, but I am no longer receiving letters or e-mails from constituents urging me to do more to tackle global poverty. When I was elected three and a half years ago, I was flooded with postcards, campaign letters and e-mails as part of the "Make Poverty History" campaign. The agenda has moved on, so where we agree on the promise to give 0.7 per cent. of our gross national income in overseas assistance and to do more to tackle global poverty, it is now incumbent on us to remake the case for more and better aid.

There is still a cross-party consensus on this issue, but the mood of the public has changed discernibly and understandably, at a time when many of my constituents are fearful of losing their jobs, when many jobs are being lost up and down the country and when people are having their homes repossessed. Quite rightly, their first thoughts and concerns are about their immediate livelihoods. There remains a huge amount of public good will and residual support for doing more to tackle global poverty, but it is understandable that people's immediate concerns have moved on. We have to remake the case, as I said, for this rather large and quick ramping up of overseas aid spending that the Secretary of State has announced.

Let me deal briefly with a couple of other points. On aid to China and India, if hon. Members of any party choose to question whether continuing our overseas aid programmes to those countries is the best use of our resources, particularly given that they are both making big strides towards reaching middle-income status, that does not necessarily imply that they are any less committed to tackling global poverty. It is arrogant, however, to believe that the £40 million or £50 million of overseas aid that we give to China each year makes a jot of difference to the country's progress towards reducing poverty. Its success in doing so is almost all down to the remarkable economic growth rates that the country has achieved.

I do not agree that we should cut our aid programme to India, on the other hand, because the country still has the world's largest concentration of poor people, and a third of the poorest. We will need a substantial programme in India for some time to come. We can still ask about the nature of our programme and whether enough goes to support judicial or police effectiveness, for example, which might do more to reduce the propensity towards communal violence that we saw this summer when the Christian community was attacked in Orissa state. Those sort of measures might help to further India's trajectory of growth and rising prosperity, but I

[Mr. Stephen Crabb]

do not think that large-scale poverty reduction programmes funded by ourselves will be what does it for a country the size of India.

I want to conclude with some points about Zimbabwe. In last week's International Development questions, my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) asked about aid to Zimbabwe, and the Under-Secretary of State for International Development, the hon. Member for Bury, South (Mr. Lewis) replied:

"The aid that we give to Zimbabwe goes directly to the United Nations and does not go through any governmental organisations within Zimbabwe." [*Official Report*, 5 November 2008, Vol. 482, c. 230.]

He and Ministers before him have gone to great lengths to demonstrate to the House and the public that we have not supported Mugabe's regime with overseas aid. However, the answer he provided to my hon. Friend did not paint quite the whole picture. He tried to maintain that our aid does not go through any of the Zimbabwe governmental organisations, but the global fund—a multilateral initiative to which we are a major donor; we have some leverage over its policy—is about to make a very substantial contribution to Zimbabwe. It is going to be deposited directly in the Reserve Bank of Zimbabwe, which is controlled by one of Mugabe's henchmen. It is entirely legitimate to raise that issue in the context of wanting greater transparency about the aid we give to that country. I hope that when the Minister concludes the debate he will return to this point and clarify whether he is satisfied that an adequate assessment has been made of the risk attached to this considerable sum of money, which the Government of Zimbabwe will shortly receive.

5.24 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Holding the Government to account is the job and the responsibility of us Opposition Members. It is also our duty. Scrutinising overseas aid effectiveness today, given the economic crisis that we are experiencing in our own country, is therefore of paramount importance.

I am helping many of my constituents whose homes are being repossessed or who are losing their jobs. I am fighting to save rural primary schools, and, on a regular basis, fighting to obtain life-saving drugs for many of my constituents. We all support international aid for the poorest countries, but, given the constraints that our country faces, it is important for us to scrutinise the Government on how the money is spent and to whom it goes.

What I have seen today has shocked me and caused me genuine concern. I refer to the arrogance of the Government. After 10 years in power, they have become truly arrogant. That could be seen in the way in which they have behaved during the debate. My hon. Friends and I have tried to raise a number of important issues, but in my three and a half years as a Member of Parliament I have never seen a Minister behave as the hon. Member for Bury, South (Mr. Lewis) has behaved today. The constant laughter sounds like someone strangling a cat; it is a very strange laugh. I have never seen any behaviour like that. I feel like showing it on my website so that people can see the reaction of this Minister when we are raising very, very important issues. I worry about the credibility of the Chamber when Ministers of the Crown behave in such an appalling, shocking way. He demeans not only himself but the entire Chamber and our parliamentary process.

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): Silly!

Daniel Kawczynski: Silly it may be, but we live in a democracy, and I am entitled to my views.

Mr. Eric Joyce (Falkirk) (Lab): Will the hon. Gentleman give way?

Daniel Kawczynski: I will not give way. I have very little time left because of the amount of time taken by the Secretary of State and other Members.

The Secretary of State implied—he almost agreed—that we were giving aid to China to try to influence that country. That is simply wrong. Whatever happened to Robin Cook's ethical foreign policy? China has the fastest-growing economy in the world. Its expenditure on arms is the second largest in the world. It has a major space project and a huge, thriving economy. Why we are giving money to China at a time when our own constituents are suffering—at a time when our own constituents are not receiving life-saving medical treatment and operations—is simply beyond me.

India has the largest number of billionaires in the world. It has nuclear weapons, and is experiencing huge economic expansion. Moreover, many Indian companies are currently buying up United Kingdom companies.

Finally, as I mentioned in an intervention, there is Russia, a country which has recently invaded Georgia—a helpless, defenceless country—which has $500 billion in reserves, and which is building up one of the world's great military powers. The fact that we are giving aid to Russia is simply unacceptable. When I tell my constituents that we are still giving aid to Russia, they look at me in bewilderment. They simply do not understand how we as a country can afford to do that. As I have said before, our country is borrowing £40 billion this year alone just to keep our budget afloat.

In a very long speech, the Secretary of State did not refer to the European Union once. A huge amount of British taxpayers' money is channelled through the EU. How do we scrutinise that aid and its effectiveness? The EU is notorious for mishandling grants and aid: its accounts have not been signed off for 13 years.

Sir Nicholas Winterton (Macclesfield) (Con): It is 14 years now.

Daniel Kawczynski: My hon. Friend has rightly corrected me: it is 14 years.

What is the Minister going to do? How does he propose to explain to our citizens how this money is spent? Surely our citizens deserve to be briefed in a far better way about the transparency of the EU, and about how it spends British taxpayers' money abroad. I have no doubt that some of the work that the EU does is important and vital, but I shall be asking the Chairman of the Select Committee to invite the relevant Commissioner from Brussels to come before our Committee to explain to us how the EU budget is spent. We also need an independent aid watchdog, as my hon. Friends have

said, to provide impartial and objective analysis—a watchdog that will report to the Select Committee, on which I sit, and to Parliament, rather than, as at present, organisations reporting directly to the Minister.

What tangible progress has the governance and transparency fund made to allow citizens to make their voices heard? Conservatives are committed to publishing full details of all British aid spending on the DFID website. Why will not the Government follow suit?

Many articles have appeared in our national newspapers about corruption, which has been referred to. One which took me aback was that the President of Congo-Brazzaville has many luxury apartments in Paris and Monte Carlo. Why do *The Daily Telegraph* and other media cover this? It is simply because it sells newspapers. Why does it sell newspapers? Because it is a travesty; it is strange for the President of Congo-Brazzaville to have yachts in Monte Carlo and luxury flats in some of the best residential parts of Paris while aid is going to that country. Is the Secretary of State raising the issues directly with the President of Congo-Brazzaville?

The King of Swaziland has bought a huge luxury jet. What amazed me is that he spent more on his birthday party celebrations than the entire amount of UK aid to that country. He spent the equivalent of all our aid that we gave to Swaziland on his 36th birthday party. I find that simply unacceptable when I am fighting tooth and nail for life-saving drugs for my constituents. That is why it is so important to hold the Government to account on these matters.

I have been extremely upset—I have never been so emotional—by the Government's arrogance in dismissing our genuine concerns. The conduct of the Under-Secretary towards my hon. Friend the Member for Monmouth (David T.C. Davies) was breathtaking to say the least. We need to challenge corrupt leaders and make them realise that we will continue to give aid only if they clean up their act and are not prepared to be corrupt any more.

5.32 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am delighted to catch your eye, Mr. Deputy Speaker, in a debate that takes place in a climate of world economic turmoil and that is therefore even more important. My hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) was exactly right and said probably the most true thing in the entire debate: our constituents, faced with difficult economic circumstances, will be looking at how our Government spend our money including our international development budget, and saying "Yes, but we want to make sure the Government spend it properly."

That is why I want to pay tribute to the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), whom I have known for a long time. He makes a valuable contribution to this House on international development matters and has done so for a long time and from a genuine perspective. However, I have to say to him that he was joining the Secretary of State in a little bit of political banter in trying to cast doubt on our very strong commitment—repeated by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) on many occasions—to the international target of 0.7 per cent. of GNI by 2013. I want to make that absolutely clear.

Mr. Tom Clarke: Will the hon. Gentleman give way?

Mr. Clifton-Brown: I tried to intervene on the right hon. Gentleman earlier but he quite reasonably said that he was reaching his peroration. Perhaps he will answer the following point when I give way to him in a moment. I was interested in his motive for promoting his Bill. What did he think DFID was not doing that it should do? Was it just merely presentation or were there things in the Department that he thought it could do better?

Mr. Clarke: I apologise to the hon. Gentleman, as I wanted to do, for not giving way. The hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) made the point that a lot of people were making speeches and others wanted to get into the debate, and it was for that reason alone that I did not give way.

I find it very flattering that the hon. Member for Cotswold (Mr. Clifton-Brown) puts that question to me. When a Back Bencher is given the opportunity to introduce a Bill, he does so hoping that he will get the support of this House and the other place. So the hon. Gentleman's question is really to Parliament: why did it feel the need, as it did unanimously and rightly, to pass that Act? I hope that the legislation is helping us to make the progress that Members on both sides of the House have identified is needed.

Mr. Clifton-Brown: I am grateful to the right hon. Gentleman for his reasonable explanation, as always, and for his apology.

There was a certain amount of scoffing during the debate that the Opposition international development team were not robust or inquiring. The hon. Member for South Swindon (Anne Snelgrove) cited a blog that said that the policies of Her Majesty's Opposition were merely a "derivative" of the Government's policies, but she failed to read out the entire quotation. During the course of the debate, our excellent research team have been able to find the full quote, which goes on to state that the Opposition's policies contain

"a number of sensible proposals"

and that there are

"plenty of good things to be said about them".

If we are to get the quotes right in this debate, we must cite them in their entirety and not just partially.

The international transparency commitment largely stemmed from what happened in Accra, as the Secretary of State made clear. We wholly concur with the view that there should be better aid co-ordination, publication and effectiveness, and he cited the example of Mozambique in support of that. It must be right that both donors and recipients have their performances well and truly scrutinised, but I make no apology for any criticism that I make in summing up in this debate, because any Department can always do a little better.

A number of good speeches have been made this afternoon, but the one by my hon. Friend the Member for Sutton Coldfield was important in one respect: he has had a long-standing commitment to ensuring that

[Mr. Clifton-Brown]

our aid is properly scrutinised and audited, and that there should be a proper, independent audit watchdog. That is paramount to Conservative party policy.

A number of things have been said about how and where our aid is spent, and which countries receive it. My hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) mentioned Russia and the fact that it has built up a sovereign wealth fund of $500 billion. I think that the British Government have now stopped all aid to Russia, but I ask the Minister to confirm that. I am sure that my hon. Friend will welcome it, if it is true. Of course, the Conservatives also wish to curtail UK aid to China. In no way do we wish to resile from our 0.7 per cent. target, but we simply feel that a country such as China, which has a GNI that works out at more than $2,500 a head, should be coping with its own problems from its own huge surplus. I agree with my hon. Friend the Member for Preseli Pembrokeshire that the UK should continue to give aid to India, because it has the greatest concentration of poor people on earth; it will shortly have more poor people than the whole of sub-Saharan Africa put together. It must be right that we continue to give aid to that country.

My hon. Friend the Member for Sutton Coldfield also mentioned the responsibility to protect. In the short time available to me, I wish to raise a few issues with the Minister. If we cannot encourage the international community to come up with a solution to dreadful problems such as the vast suffering in the Congo, in Darfur, which was mentioned by my neighbour, the hon. Member for Stroud (Mr. Drew), in Zimbabwe, which has been mentioned by other speakers, and in Burma, which my hon. Friend the Member for Sutton Coldfield mentioned, by intervening at an earlier stage on the basis of the doctrine of the responsibility to protect, which was introduced by the United Nations in 2005, that doctrine will shortly mean very little. All in the civilised world need to pay close attention to that.

The hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), on behalf of the Liberal Democrats, was right to mention President-elect Obama. We were delighted by that outcome and, like the Secretary of State and the Government, we look forward to a positive agenda and relationship with the incoming Administration. In that connection, two important multilateral discussions are going on. The hon. Gentleman mentioned one—the trade round in Doha. The third world—the poorest people on earth—has more to gain from a successful Doha round than do richer nations. Therefore, it is important that we breathe new life into those negotiations. To all those countries and areas—India, the US, the EU and Argentina, for example—that have, at some point in the negotiations, put up blocks that have meant that the negotiations have not so far succeeded, we say that they need to be prepared to compromise so that we can have a successful round.

The Government could give those talks much more impetus. The international trade round is so important because it means, among other things, that a small country can take one of the largest countries on earth to the world trade court and, through a relatively informal process, obtain a judgment against it.

The second round of multilateral talks is on climate change, with the summit in Potsdam next month, culminating in the summit in Copenhagen neat year. It is important to try to reach agreement on those, because if we do not manage to agree on carbon emissions—and limit the increase in external world temperature to just 2 per cent. in the next 50 years—world temperatures may spiral much higher. To put that threat in context, I would point out that the last ice age was only 5° below the present temperature. Again, it will be some of the poorest countries on earth that will suffer, and we have begun to see that in famine, flood, tsunamis and other events attached to climate change.

My hon. Friend the Member for Monmouth (David T.C. Davies) raised the problem of DFID not being prepared to meet his delegation from the CPA. The Opposition's policies would prevent that situation from happening, because officials in DFID would have to be fully immersed in the communities to which aid was being given, instead of sitting in the capitals.

The right hon. Member for Gordon (Malcolm Bruce), the Chairman of the Select Committee, made several important points. I cannot go over them all, but one of his themes, which has been echoed throughout the debate, was about direct budgetary support. As the Secretary of State said, aid funding is up to 75 per cent. of the national budget in some countries. Indeed, in Rwanda, which several of us visited in the summer, total development aid is about 50 per cent. That is undesirable. We should give these countries a hand-up so that they can start to wean themselves off international help.

The right hon. Gentleman mentioned Afghanistan, a country that needs more of a hand-up than most. This morning, he and I attended a round-table conference at the Foreign Office on Afghanistan, and one theme that emerged was that the international effort there is not being disseminated to the public very well. If our constituents only see the worst coming out of Afghanistan, they will be very sceptical about our efforts. The right hon. Gentleman was right to say that what the public do see is very Helmand-centric. However, there are many things happening, not least of which is the number of girls going back to school, which is wholly to be welcomed. Other positives include the number of roads and hospitals being built, which are very welcome indeed.

My hon. Friend the Member for Preseli Pembrokeshire made some important points, not least about the world economic situation. At a time when we are all running into deeper and deeper economic problems, even recession, it is regrettable that several countries are thinking about reducing their international aid efforts. The Chairman of the Select Committee mentioned the possibility that Italy will do so. That is highly regrettable. If we are to make proper progress with some of the world's worst problems, we have to bear that in mind. We all want to meet the millennium development goals that were mentioned by the right hon. Member for Coatbridge, Chryston and Bellshill, but we are a long way off meeting some of them—most notably the goals on universal education and climate change. That is highly regrettable. We should breathe more life into that.

As I said at the beginning of my speech, if the doctrine of responsibility to protect is to be worth anything, we have to find solutions to the dreadful problems in such places as the DRC, Zimbabwe and Darfur. It should not be beyond the wit of the civilised western world in the 21st century to find solutions to those problems and to intervene at an earlier stage, so

that hundreds of thousands of people are not displaced from their homes and killed needlessly. There is a lot to be done, and I look forward with interest to hearing what the Minister has to say about what he is doing.

5.45 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Ivan Lewis): On the whole, this has been a high-quality debate. I want to reiterate what my right hon. Friend the Secretary of State said about the importance of maintaining global support for development despite the economic downturn. Now is not the time for either the United Kingdom or our international partners to turn our backs on the world's poorest people. As developing countries are hit by the global economic downturn, they need our support more than ever, and we need theirs. If we are to tackle global challenges such as climate change, resource shortages and growing demands for energy, we will not be able to do it alone.

Now is not the time to undermine confidence and support among the British people in investment in development, either in pursuit of a cheap headline or as a manifestation of a future hidden agenda. It is essential that we work together with developing countries and that we keep our promises to deliver more and better aid and to meet the millennium development goals by 2015. In order to do that, donors need to make sure that every penny we spend is put to the best possible use. As my right hon. Friend said when he opened the debate, DFID is playing a key role in improving the effectiveness of our aid and ensuring that other donors provide aid as effectively as we do.

Our leadership at Accra meant that developing countries can now expect to receive longer-term support from donors that is better co-ordinated and makes better use of their budget systems. We secured agreements that donors and developing countries would hold each other more accountable for the use of aid and we pushed hard to improve the global transparency of aid through the international aid transparency initiative.

We are leading by example. We have already met seven of the 10 Paris declaration targets on aid effectiveness and are on track to meet the remaining three. We have developed an independent advisory committee on development impact to provide a serious challenge function to DFID's work, with independent membership and National Audit Office observation. We have strong systems in place to control and monitor the expenditure of UK aid and are supporting developing countries in their efforts to fight corruption. By putting such measures in place, we can be confident that UK aid is having the greatest possible impact. Later this month, we will once again be at the forefront of the fight against poverty at the financing for development conference in Doha.

Let me turn to the contributions that have been made in the debate. First, the hon. Member for Sutton Coldfield (Mr. Mitchell) took the opportunity, once again, to describe DFID as a world leader in the field of development. I thank him for recognising that on behalf of all those who work incredibly hard on the front line in some of the poorest countries in the world. His comments were in stark contrast to some of the contributions made by Back-Bench Members of his party. He said that we should remove this subject from the realm of party politics. As a new member of this team, I am delighted to see that we appear to have political consensus on the importance of this country's leadership in international development.

Equally, I would say that the Conservative party has a record and form from the time it was in government. It is also true—let us make it clear—that this Government and, more specifically, this Prime Minister have led the world in demanding that the richest countries fulfil their responsibility to the poor. That is not party politics, but a statement of fact in a world where people ask every day, "Does politics make a difference? Are politicians all the same?" Well, this is one area where we have not been all the same: we would not be leading the world in international development if we had not had a Labour Government in power for 11 years and a Labour Prime Minister who has this matter at the heart of his moral compass.

Mr. Clifton-Brown: May I gently say to the Minister that people watching him make these remarks will regard them as disgraceful? We are talking about some of the poorest people and most difficult issues on the planet and he is playing party politics. I have made very clear the Conservative party's stance on the matter, as well as our commitment to the aid budget.

Mr. Lewis: I very much welcomed the contribution made by the hon. Member for Sutton Coldfield, who speaks on these matters for the Opposition, and the fair way that he paid tribute to DFID's work. That was my starting point, but I am proud of the fact that international development demonstrates most clearly the virtues of having a Government who have at heart a commitment to social justice, both in this country and around the world. I do not apologise for that.

The term "no strings attached" was used in the debate, but the string between the Opposition Front and Back Benches is so thin that it causes me serious concern. I shall say for one last time that the hon. Member for Monmouth (David T.C. Davies) has every right to raise concerns about getting access to DFID staff in a particular country. If he felt slighted that a member of staff was not available at the time, I apologise—although I do not know the details, and there may well have been good reasons for that. However, I have to say from this Dispatch Box that I will not tolerate his using that incident to cast aspersions on the commitment of our staff, who are often working in the most difficult circumstances in the world.

The hon. Member for Cotswold (Mr. Clifton-Brown) talked about DFID staff sitting in offices in capital cities, but what impression is that designed to give of the contribution that our staff make? I have worked in a number of Departments, and I have never seen a group of people so mission-driven. I am proud to work with them, but that does not mean that we cannot do better. Although we are the world leaders in this area, we can still ensure that every day we improve what we do. That is the basis for any organisation that seeks to do its best—a recognition of the need to improve continually. However, I will not have the organisation that is DFID, or its staff who work so hard, demeaned and undermined in the way that has happened in this debate.

May I also say to the hon. Member for Sutton Coldfield that I welcome his support for the overhaul of the DFID website? He asked some valid questions

[Mr. Ivan Lewis]

about how it should operate in future, and I hope that he will give us full support in that respect.

The hon. Gentleman talked about independent scrutiny, but I refer him to the work of the National Audit Office, the Public Accounts Committee and the International Development Committee. Also, as my right hon. Friend the Secretary of State said, he is required to make an annual report to Parliament—in terms of independent scrutiny, that is a pretty high level of transparency in how we account for the resources that we spend in the name of the UK taxpayer.

I remind the hon. Member for Sutton Coldfield that his party is on the record as saying that it supports budget support, and that we should go even further in future. However, he cannot give the impression that sustaining budget support will not mean that tough judgments will always have to be made, on a country-by-country basis, in very difficult circumstances and about very difficult political and security matters.

Mr. Andrew Mitchell: I am most grateful to the junior Minister for giving way. I have set out very clearly my party's attitude to budget support, and explained that, in principle, it is the best form of aid. However, I made it very clear why it has to be made more accountable—*[Interruption.]* For the second time, the Secretary of State has muttered from a sedentary position "Daily Telegraph"—referring, I think, to an article written by the Whitehall editor in today's edition of that newspaper. Although we support the thrust of what DFID is doing, the Under-Secretary must not expect us not to investigate, debate and discuss these issues. In the context of supporting the general thrust of British development policy, it is possible to argue across the House about how best to deliver it.

Mr. Lewis: The hon. Gentleman is fully aware that there are no circumstances in which we give aid with no strings attached; there are minimum standards that every Member of this House is fully aware of and signs up to, so he should not have used the term "no strings attached". Even a junior Opposition Member would never have used such a misleading term in an interview with a national newspaper.

I now turn to the contribution of my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). I pay tribute to him for the leadership he displayed on the issue long before the mainstream majority believed that it should be a priority for the Government. I echo his point that we must maintain our commitment despite the global economic turmoil, as our Prime Minister and the Secretary of State have made clear.

My right hon. Friend mentioned the DRC. Of course it is right that every Government in that situation uses their power and influence to do the right thing and to try to get an immediate cessation of the violence. I must correct some of the misleading impressions given in the House today. The UN Security Council has not yet agreed to the deployment of an additional 3,000 troops. It is still actively considering the offer. We believe that the priority is redeploying the 17,000 troops. We are very sympathetic to making more financial assistance available, if that is required to enable more troops to be deployed, but my information is that the UN Security Council, having met on Tuesday, has not made a final decision. I also point out that this country has not expressed a view as regards the European Union. The hon. Member for Sutton Coldfield referred to the issue, but there has been no request for additional troops from a European Union member state.

The hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) talked about humanitarian aid. I assure him that progress is being made on that. Food deliveries continue to arrive in Goma daily. There are 20 trucks a day from Uganda, Tanzania or Rwanda. Aid agencies continue to contain cholera outbreaks across a number of towns. Emergency non-food items supplied by DFID to UNICEF will be packaged to get to those with the greatest need, and two of our humanitarian advisers have now arrived on the ground to enhance the humanitarian support available. On a daily basis, we are getting the necessary humanitarian aid to those countries.

We have closely considered the issues to do with CDC, and we believe that it is abiding by the highest possible standards, as is expected, in its approach to taxation. I also say to the hon. Member for Berwickshire, Roxburgh and Selkirk that the recent report in *The Observer* on our position on international agreements was inaccurate. It is our policy to strengthen the Committee of Experts on International Co-operation in Tax Matters, although we are not convinced that it should become an intergovernmental body. We want to strengthen it, but we are not convinced about its future status.

The right hon. Member for Gordon (Malcolm Bruce), the Chairman of the International Development Committee, made a measured contribution. He said it was very important that we did not give a false impression that budget support was not the right direction to take, particularly as we want the United States to support that direction of travel. He was right to say that it is vital that we improve co-ordination for donors. He was also right to say that the issue is not just accountability to donor countries; we have a responsibility to make sure that Governments in the countries that receive our aid are far more accountable to their local population. Better information is an important part of that.

The hon. Member for Preseli Pembrokeshire (Mr. Crabb) said that we needed to remake the case to our constituents for the importance of aid, both because it is the right thing to do, from a social justice point of view, and because it is in our national interest. I agree entirely with that.

The hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) felt that I was laughing at his contribution; the only point in it when I laughed was when he said that socialists were responsible for the current global economic turmoil. It is socialists, apparently, who controlled Barings bank and other financial institutions around the world, and who occupy the White House. I note that he opposed supporting a DFID aid programme to India, whereas the hon. Member for Preseli Pembrokeshire, who spoke before him, said that he fully supported the need to continue aid to India—a case of Back Benchers in slight disarray.

May I assure the hon. Member for Cotswold—

It being Six o'clock, the motion lapsed without Question put.

PETITION

Planning and Development (Cheshire)

6 pm

Mr. Stephen O'Brien (Eddisbury) (Con): On behalf of the best part of 1,400 local residents in my Eddisbury constituency, may I present a petition on behalf of the residents of Cuddington, Sandiway and nearby areas?

The petition declares:

The Petition of residents of Cuddington and Sandiway, and others,

Declares that Vale Royal Borough Council is failing to listen and take action on the concerns of local residents regarding the flawed site selection process and public consultation for proposed gypsy and travellers sites in Vale Royal.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Communities and Local Government: to put pressure on Vale Royal Borough Council firstly to place on public record that the proposed site at Chester Road, Sandiway is confirmed as unsuitable for a proposed gypsy and traveller site; secondly to halt its public consultation on proposed gypsy and traveller sites until such time as the site selection criteria can be reviewed and amended to ensure that they comply with government guidance and planning policies; and thirdly, to defer this issue until after the completion of the Regional Spatial Strategy and therefore, by definition of the timescales for the Strategy, to pass this issue to the new unitary authority of Cheshire West and Chester.

And the Petitioners remain, etc.

[P000287]

Thames Water (Oxfordshire)

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Butler.]*

6.1 pm

Mr. Edward Vaizey (Wantage) (Con): For almost 20 years, my constituents have been living with the possibility of a large reservoir being built on open land near their homes. This is not just any reservoir. Thames Water's proposals are for a reservoir of some 8 square miles, taking 10 years to build and filled with 150,000 million litres of water. It would cost some £1 billion. It would be situated just south of Abingdon, between the villages of East Hanney and Steventon, but it would affect many more communities in my constituency.

The reservoir is proposed on the basis that it will provide additional water for London, Swindon and Oxfordshire to cope both with London's increasing population and with the potential effects of climate change. It is an astonishing fact, especially in the light of the soaking we have received in the last few days, and the flooding that hit my constituency in July 2007, that the south-east is one of the most water-stressed areas not just in this country but in the world. As a constituency MP, I am mindful of my responsibility to represent my constituents' views and concerns as forcefully as possible, but I am mindful, too, of the national interest. Indeed, I suspect that my view on the reservoir represents that of the majority of my constituents. A few of them are opposed to a reservoir come what may, quite understandably. Some of them would welcome a reservoir as a leisure resource and a nature reserve, but the vast majority say to me, "If Thames Water can convince me that it is essential, I will reluctantly accept it."

The point that I want to make is that Thames Water has not convinced local people. I wish to praise the efforts of the local community in holding Thames Water to account, particularly the tireless efforts of the local county councillor, Iain Brown, and the Group Against Reservoir Development—GARD—which has raised a lot of money to pay for expert opinion. I know that the Minister cannot, here and now, give me a considered view of the merits or otherwise of a reservoir, but if my points are to have force, it is necessary briefly to set out the parameters of the debate.

A few years ago, reservoir-sceptics like me could oppose the reservoir on the ground that Thames Water was not doing enough to use efficiently the water to which it already had access. That primarily centred on the need to fix leakages and to increase water metering. As anyone who has looked around London recently will have seen, Thames Water has at last undertaken a massive programme of repair. Given the financial and logistical restraints under which it operates, it would be hard, I concede, to ask it to do much more other than continue its work programme on leakage reduction. In 2006-07, leakage accounted for some 672 million litres a day being lost—roughly equivalent to twice the amount of water that one would get from a reservoir. After work to some 6,500 km of water mains, Thames Water will reduce that figure to just over 400 million litres a day—an enormous figure, but one which is deemed justifiable in economic terms.

In addition, I welcome moves by both Thames Water and the Government to introduce compulsory metering. We pay for all other utilities in that way, so it

[Mr. Edward Vaizey]

seems absurd that water is not metered as a matter of course. Metering will ensure that we use this precious resource more carefully, and I am pleased to learn that compulsory metering will start in 2010 and eventually cover
more than three quarters of London households and almost 90 per cent. of Thames Valley households, although I should point out that the Environment Agency still feels that Thames Water could still do more on that matter.

If water leakage and water metering have been, as it were, taken care of, is the case for the reservoir therefore proved? Not yet. There are still a number of outstanding issues. The first is a disagreement about the expected level of demand for water use. In the Government's water strategy for England, published in February 2008, they suggested that household per capita consumption could be reduced to 130 litres per person per day by 2030. By contrast, Thames Water forecasts a significant increase in per capita consumption, up to 165 litres per person per day by 2030. The difference in the Government's estimates, and those of Thames Water, based on a population forecast of about 9.25 million people, is 340 million litres per day—surprisingly, almost the same amount of water that a reservoir would provide.

So my first question to the Minister is: who is right? Is the Government's prediction right or is Thames Water's prediction right, because quite a lot hangs on those figures? Even if one were to accept Thames Water's predictions and say that, therefore, we needed to access more water, one would still have to ask whether a reservoir was the right way to go about it. Is there an alternative to a reservoir scheme? Many other schemes have been suggested, some fanciful, some less so. A detailed breakdown of some of the other schemes is contained in the report that GARD commissioned from a water expert, Chris Binnie, who cites a number of other, different sources of water. For example, both GARD and the local district council have suggested the possibility of a reservoir at Longdon Marsh to assist transfer from the River Severn, aquifer storage and recovery and the revision of the lower Thames operating agreement.

However, there is one option to which I am particularly attracted: the rather euphemistically titled, effluent reuse. Some 2 billion litres of treated waste water are discharged into the sea every day, and some of it could be treated to a standard whereby it was perfectly acceptable for drinking. In a submission to the draft water resources management plan, the Environment Agency, which also takes Thames Water to task on the issue of water use forecasts, states clearly that Thames Water

"has not fully explored the role of demand management and alternative supply options, such as effluent reuse."

The agency continues:

"We are disappointed the company continues to discount effluent reuse options and believe there may be opportunities for using effluent reuse to contribute a significant amount of water."

I should be interested in the Minister's—indeed, the Government's—views on effluent reuse generally, if not specifically as an alternative to the reservoir. I am particularly interested in the light of the new technology that is available, and the kind of technology that, I understand, is operated in Essex at Langford. By using the Langford process in London, Thames Water could, I am told, potentially supply six times as much water from effluent reuse as from a reservoir.

These are important issues, and, as a Member of this House, I am lucky enough to be able to debate them here. That brings me to the fundamental reason why I asked for tonight's Adjournment debate. My constituents do not share my luck. The combination of the draft water resources management plan and the new infrastructure planning commission means that it is highly likely that there will be no public inquiry into whether the reservoir should be built. The draft water resources management plan and the three-month extension of the deadline for presenting all WRMPs to DEFRA will, by sleight of hand, allow the case for the reservoir to be accepted through the back door. The newly created planning commission is likely to nod through the proposed site. I therefore ask the Minister seriously to consider the need for a proper public inquiry, not just into the possible site of a reservoir, but into whether it is necessary at all. From my correspondence with the Minister's predecessor, it seems clear that the Government intend to railroad the proposal through via the WRMP and then the national policy statement. My constituents' voices will not be heard. Equally, the arguments will not be properly tested and cross-examined, a process that could benefit all parties involved.

While I am here and on my feet, I should like to raise two ancillary matters—general points that the Minister might like to consider. First, the only organisation apart from Thames Water directly involved in this debate on the reservoir is the Vale of White Horse district council, which is a statutory consultee on the ground of being the local planning authority. I congratulate its officers, and in particular its recently departed chief executive Terry Stock, on an excellent response to the draft WRMP. Its officers have asked me, however, how such a small district council could gather the resources necessary to make a proper case on behalf of the local population. Surely in these circumstances, local councils should be able to apply for specific funds to enable them to put their cases properly. I am not talking about a large amount—perhaps £100,000 or £200,000, so that it could have a dedicated team and access expert advice. Such a sum is small, but it would be very significant for that small district council charged, in effect, with being the planning authority.

I also seek assurances from the Minister that, should the reservoir go ahead, local residents and businesses will be properly compensated. A number of homes will have to be demolished, as will the site of the largest milking-goat herd in the United Kingdom. I seek assurances that people will be compensated at proper, negotiated, commercial and market rates that will enable the businesses to be re-established locally and the livelihoods of those displaced by any reservoir to be protected. If the reservoir goes ahead, I also hope that the Government and Thames Water will give adequate compensation to those whose lives will be seriously inconvenienced for up to 10 years.

6.12 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): I congratulate the hon. Member for Wantage (Mr. Vaizey) on securing a debate about this important issue. Despite the rain

that we experienced in the summer, the drought that lasted from 2004 to 2006 is still fresh in our memories, as is the knowledge that a third dry winter after 2006 could have caused serious problems in some areas of the south-east. How we manage this precious resource to ensure a sustainable supply is important, and I am grateful for the opportunity to show what the Government are doing about the matter.

The hon. Gentleman has spoken passionately and made his case robustly. He questioned the rigour of the appraisal process. I am somewhat more constrained than I like to be in Adjournment debates because of the process that will be carried forward. I should take a moment to explain what that will be. It is for each water company to justify any proposals for reservoirs or other new water supply resources. That must be on grounds of need, taking account of economic and environmental considerations.

A fundamental element of that process is that the plans are subject to public consultation, and that was at the heart of the case for making the plans statutory. The water companies produced their draft plans earlier this year and consulted on them over the summer. That consultation period is now closed, and the companies are preparing their responses to the comments that they received about their plans. Those responses will then be published; they will show the consideration given to the comments received and whether any changes have been made to the plans.

In the case of Thames Water, more than 300 stakeholders and other interested parties responded to the public consultation with views on the draft plan. Thames Water is now preparing its statement of response to the representations that it received and has until next February in which to publish its response. At that point, my right hon. Friend the Secretary of State will determine whether to call for an inquiry or a hearing on the plans or to issue directions on changes to be made to the draft plans before publication. In deciding whether to hold a hearing or an inquiry on a water company's plan, he will consider whether they have complied with the legislation on process and content, including robust appraisal of the options to determine the proposed way forward.

I will therefore speak in general terms and will be unable to deal with some of the hon. Gentleman's specific questions, although in other circumstances I prefer in debates of this nature to respond as closely as I can. I hope that he will understand the constraints under which I am working.

We face a serious challenge when it comes to water management. Our population is growing and using more water as a result of our changing lifestyles, and we have a changing pattern of land use. That is putting more demand pressure on the water available, especially in areas where the supply of water is under stress; the hon. Gentleman says that his constituency is located in precisely such an area. Climate change, which will lead to hotter, drier summers—although I cannot remember many of those recently—and milder winters with more intense and sporadic rain will worsen the situation.

Protecting our water resources is therefore essential. In 1997, the Government set up the UK climate impacts programme to encourage private and public sector organisations to assess their vulnerability to climate change so that they can plan their own adaptation strategies. Their research is invaluable in helping us to understand and adapt to these pressures. New forecasts on the impacts of climate change are expected next year. Our new water strategy, "Future Water", sets out the Government's plans for water in the future and the practical steps that will be taken to ensure a sustainable supply of water for people and businesses. I will return to "Future Water" in a moment when I deal with the hon. Gentleman's point about consumption at 130 litres per person. The steps include measures to reduce the demand for water, as well as to improve the supply—for example, through the abstraction licensing regime or, where the case is well made, by agreeing the need for new infrastructure. The overarching message of the new strategy is the need for everyone to value water and to take responsibility for protecting this unique resource.

The Environment Agency plays a vital role in that protection. It is the statutory body with a duty to manage water resources in England and Wales, and its aim is to ensure that the management and future development of our water resources is carried out in a sustainable manner. It achieves that by regulating such activities as the abstraction of water through a licensing system, and it has also provided guidance to the water companies on drafting their water resources management plans.

Ofwat is the independent economic regulator for the water industry, and it sets water price limits. As the hon. Gentleman knows, in August, as part of the 2009 review of water prices, water companies submitted to Ofwat their draft business plans for the period 2010-2015. Those plans set out each company's initial view of what it needs to do to maintain its assets, improve services to customers and deal with its impact on the environment. As part of this review process, DEFRA has submitted to Ofwat key documents that cover how it might contribute to wider social and environmental matters. Additionally, we will look to the Environment Agency to ensure that important environmental objectives can be achieved through the plans.

Water companies themselves have statutory duties to maintain adequate supplies of wholesome water. Central to the long-term planning for water supply are the water companies' 25-year resource management plans. Those became a statutory requirement for the first time in 2007 and describe how each company aims to secure a sustainable demand-supply balance over the next 25 years. In their plans, water companies should look at the full range of options for reducing water demand, and where those are insufficient or unjustified in cost terms, they should proceed with developing sustainable new supply-side measures, which is why we are debating such proposals this afternoon.

The hon. Gentleman raised the option of effluent reuse and asked what the Government's view was on such technology. We accept that it is one of many options that water companies may consider to achieve a demand-supply balance as part of their water resources management plans. It is for Thames Water to consider the options, and to undertake a robust options appraisal. It must justify its preferred options as the most cost-effective way forward. I understand that Thames Water has received representations on how that is addressed in its draft plan, but it is for the company to respond to those representations.

The demand-side management options that water companies have to consider include leakage management—the hon. Gentleman raised that point. Controlling leakage

[Jane Kennedy]

is a vital component in the management of supply and demand for water. Since 1994, Thames Water has reduced leakage by a third, and I am grateful to him for acknowledging that. It has achieved that progress in part through its commitment to replace more than 1,500 km of mains by 2010, and the programme will continue with increased mains replacement up to 2020. It has also achieved the leakage targets set by Ofwat in each of the past two years. Those targets are set to reduce the leakage of each water company to the economic level of leakage below which it would cost more to address the leak than to produce water from an alternative source. Thames Water is on track to reduce leakage to that economic level by 2009-10.

The water saving group, of which I will be the chair, has made significant progress in the development of a programme of measures to promote water efficiency in households. That includes a project led by Waterwise, working with water companies, to update the evidence base of the cost-effectiveness of water efficiency measures. We have amended regulations to allow water companies in areas of serious water stress, including Thames Water, to consider compulsory metering as part of their water resources management plans. I welcome the hon. Gentleman's comments on that. Ofwat has also consulted on proposals for water efficiency targets for water companies and an independent review of charging will look at options for metering water supplies.

The hon. Gentleman referred to the figure of 130 litres per person per day. That is an aspiration within "Future Water", not a target that must be met. It represents our view of what could be achievable by 2030, through cost-effective measures, if all stakeholders—water companies, manufacturers, retailers, plumbers, consumers and others—acted together in a concerted way to manage demand. Water resources management plans contain a water company's view of future per capita demand based on its own assumptions and modelling.

I am unable to comment, while the statutory process is ongoing, on the contents or merits of Thames Water's plans, although the hon. Gentleman is obviously free to do so, as he has done. Water companies need to consider all these options to ensure that the most cost-effective option is chosen, so that customers' bills are not higher than they need to be. In the cases where demand management by itself does not achieve a sustainable supply-demand balance, or is not cost-effective, new or enhanced supply needs to be considered.

I am sure that the hon. Gentleman will understand that while those plans are following the statutory process, it would be inappropriate for me to prejudge any decisions that my right hon. Friend the Secretary of State might make on the evidence presented. Should Thames Water's final water resources management plan include a proposal for a reservoir near Abingdon, the water company would nevertheless still need to obtain development consent. Under the terms of the Planning Bill that is making progress through Parliament, that scheme would be a nationally significant water infrastructure project, as the hon. Gentleman acknowledged, and as such, Thames Water would need to apply to the infrastructure planning commission for development consent. However, if Thames Water sought development approval before the Planning Bill proposals reached the statute book, it could apply to the Secretary of State for a compulsory works order under section 167 of the Water Industry Act 1991 or to the local planning authority for planning permission. Again, I will not comment on the merits of any application or prejudge the outcome, because that might fetter the Secretary of State's discretion in making decisions about any proposals that come before him.

As I said to the hon. Gentleman, I would normally like to respond in greater detail to some of the questions that he rightly asked on behalf of his constituents. I know that he will continue to raise their concerns as the process develops. I undertake to draw his comments to the attention of my right hon. Friend the Secretary of State.

Question put and agreed to.

Adjourned accordingly at twenty-five minutes past Six o'clock.

Westminster Hall

Tuesday 4 November 2008

[MR. JOE BENTON *in the Chair*]

International Banking Regulations

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Dave Watts.]*

9.30 am

Mr. James Plaskitt (Warwick and Leamington) (Lab): It is a pleasure to serve under your chairmanship, Mr. Benton. I am grateful to Mr. Speaker for giving me this opportunity to discuss Government policy on international banking regulations, not only because of the experiences that we have all just been through but because we look forward to the meeting of the G20 in Washington DC on 15 November. This is a timely opportunity to hold what I hope will be a constructive discussion about the issues that are on the table for that meeting of world leaders and all the work that will follow, and I hope to hear something about what the Government's approach will be.

There is no doubting the scale of the challenge before the G20 as its members plan the meeting. Clearly, it is huge. There is even talk of a new Bretton Woods. If one thinks about the context in which that system came about—it was almost the aftermath of the second world war—one can understand the scale of the challenge that is before us. There is some urgency to it, because of the remaining weaknesses and faults in the international banking system. It is clear that huge stakes are involved, not least because the leaders will discuss the future stability of the world's financial system and, through that, the future prospects of virtually every nation on the planet. The rewards for getting a new regulatory structure, whatever it turns out to be, right are enormous, but, equally, the costs of getting it wrong are huge.

One thing at stake is what I call the regulatory culture. I do not think that there is now any question in anyone's mind about the fact that there was a massive regulatory failure in the run-up to the culminating events in October, but the issue is what failed within that regulation. There are already competing views on that, and competing camps will converge on the Washington meeting later this month. Three views are emerging. One group anticipates that reform will lead to some grand new global regulator: one regulator, one set of rules, one set of enforcement proceedings. At the other extreme is the group that wants to stick to the do-it-yourself approach to banking regulation, leaving nations to work out their own salvation. Finally, there is a group coalescing around the middle that wants multiple systems of regulation but with some measure of co-ordination between them to ensure consistency across the different platforms.

It is evident that some of the leaders who will go to Washington will talk up the idea of a new global and interventionist form of regulation of the banking systems in different member states—micro-management, if one likes—but that others who are preparing to travel there are anxious to defend the light-touch regulatory approach. I believe that the United Kingdom Government are in that camp. They would take the view that the light touch of the past has benefited the UK by producing growth in the financial sector and thus making a contribution to the economy, but set against that is the question of whether it contributed to some of the problems that have exploded before our eyes. There is not a straightforward bipolar choice between the two options. It is clear that a tension underlies the debate, and I have no doubt that it will surface in the Washington discussions.

The first question is what exactly went wrong, and with the advantage of hindsight, it is now relatively easy to answer that. It is worrying that the regulatory systems that were in force did not call time on what was going wrong, or, if they did, that they did not do it sufficiently loudly or with sufficient weight to bring certain practices to a halt. The sequence is now clear: there was a steady decline in banks' capital asset ratios. At the time of the Bretton Woods agreement that set up the broad framework that regulates the system, typical capital asset ratios were between 15 and 20 per cent. They have declined steadily since the 1940s and 1950s and are now down to about 8 per cent. That decline in itself need not have led to a catastrophic outcome, but it combined with other things that were happening to become a toxic mixture.

There were ever more complex financial instruments, many of them emerging from the application of new technologies to the markets; ever-increasing leveraging was used by the banks; more bank assets were packaged and distributed internationally; and, in many instances, the risk assessment attached to all of that was effectively outsourced to credit rating agencies that were remote from the actual world of banking. It is generally accepted that that combination led to the catastrophe in the banking system this year.

The extent of the leveraging was dramatic. The Bank of England's financial stability report published in October showed that UK customer lending by the banks was equivalent to customer deposits in those banks as recently as 2001. By 2008, UK bank lending to customers exceeded deposits by £700 billion—about one half the size of the UK economy. That was a dramatic shift in just seven years, with most of the extra lending offered by UK banks to UK customers sourced from overseas money washing around the international banking system.

With the integrity of much of that funding uncertain, and the fact that its structure was not transparent, we can now see that the whole thing rested to a large extent on asset price inflation, which everyone surely knew could not continue uninterrupted for ever. I suppose that there was an intellectual realisation that that was the case, but it seems that nearly everyone in the banking system was carried away by the exuberance of asset inflation that apparently would not end.

David Taylor (North-West Leicestershire) (Lab/Co-op): I congratulate my hon. Friend on securing this debate on international banking regulations. He said that the structure is not transparent. Does he hope, as I do, that when our astute and highly regarded hon. Friend the Minister replies to the debate, she will refer to financial accounting standard No. 157, which was introduced in the US almost a year ago this week? It looked at the valuation of bank assets and put them on three levels, the third of which deals precisely with the collaterised debt obligations that brought to the surface the fact that

[David Taylor]

sub-prime mortgages underpinned much of the American boom. That realisation triggered what we have seen during the year or so since. Perhaps we should be more open about the valuation systems that banks use which sometimes even they do not understand.

Mr. Plaskitt: I am grateful to my hon. Friend for making that point. He is absolutely right. Of course accounting systems and procedures are very much part of the suite of issues that must now be examined. I shall touch on that subject again when I come to the Basel accords, as there is an overlap between the point that he made and the issues that arise in that context.

I was discussing the asset price inflation that drove all the recent occurrences, and the chain of causality that began to unravel. It is now well known that the problems were initially exposed by the downturn in the US housing market, which in turn exposed the sub-prime lending that had been going on. Those issues were rapidly transmitted through the international banking system and led to banking collapses in some instances, as well as the threat of collapses on a wider scale. That in turn led to a crisis of confidence in the banking system, which in turn sent LIBOR spiralling, thereby producing the current global slowdown in economic activity.

All those events almost brought the international banking system to the brink of a catastrophic collapse, which was averted only by the concerted and co-ordinated action of Governments around the world injecting £3 trillion of resources into the banks. It is worth recording the scale of the losses, as is it known, although those figures may change as time goes on. Government intervention at the moment is designed to cover potential known losses in the UK banking system alone of some £122 billion; in the euro area, the loss is estimated at $784 billion and in the United States it is $1.57 trillion.

To return to the UK, the Government recapitalisation that I just mentioned, which averted a complete catastrophe in the banking system, has lifted the capital ratios a bit, from an average of about 8.5 per cent. to about 10 per cent. However, we learn from the Bank of England's financial stability report that even at these levels, UK banks would still need to shed about £1 trillion-worth of assets—almost equivalent to the size of the UK economy—to get their leveraging levels back to what they were in 2003. That is a striking illustration of the extent of the problem and the degree to which that overhang is still there and remains to be dealt with, even after the banking rescues have taken place. That will only be done either by a very long-term correction, which would mean correspondingly tight credit and slow growth for a long time, or, possibly, even more state support on top of what we have already seen.

We also have to address the moral hazard question that has come about as a result of the Government intervention. Put simply, banks now know that they will be bailed out. What has long been suspected has been confirmed; they are too big to fail. Does that raise a question—I am interested to know what the Minister thinks about this—about the incentives for banks to behave responsibly in future, knowing, as they now do, that they are too big to be allowed to fail? The Government intervention, which was clearly the right thing—I am not questioning that for a moment—has brought into existence the concept of shadow equity which, in effect, is behind every banking institution and is funded by every taxpayer.

The next question, as I mentioned at the outset, is what exactly happened on the regulatory side and what can we learn from it. It breaks down into three sub-questions. First, who are the key players in setting international banking regulation? Secondly, were the failures administrative or systemic? Thirdly, how can the failings be corrected? The first and most obvious key players are the International Monetary Fund and the World Bank, which were brought into existence in 1944 under the Bretton Woods agreement. Those institutions were established to step in where markets failed and to mitigate the anticipated excesses of global capitalism. They were also designed to prevent beggar-thy-neighbour policies, which everyone meeting at Bretton Woods believed had contributed to the economic and political catastrophes of the 1930s. I am sure that they were right in that conclusion, but it is interesting to look at the IMF's remit, because it reflects what the debaters at Bretton Woods were trying to prevent from happening again—their perspective was the need to avoiding the problems of the inter-war years. The IMF's remit focuses heavily on trade and trade regulation, as well as on exchange rates, but it says little about preserving financial stability.

Looking at the history of Bretton Woods, there was an interesting argument at the time between those who wanted to bring out of the conference global institutions, global rules, global financial governance and, possibly on the part of some, a global currency—an interesting echo of the debate around the table in Washington later this month—and those who argued for sovereign independence for states in their banking and trading systems, but with the means of co-ordination and general oversight and with the existence of reserve funds to give support to countries in trouble largely as a result of trade deficiencies. That is a different context from the one that we now face.

I think that people can see structural weaknesses in the IMF. I raise that point because if the discussion is going to be about the IMF as a key player in the restructuring of the regulation of international banking, other questions need to be addressed before reaching that conclusion. The first problem with the IMF as currently constituted is that it is seen around the world as the advocate of the Washington consensus. The US dominance of the IMF as an institution is undeniable. The US is the only member of the IMF with a 17 per cent. vote on the board, and that 17 per cent. is crucial, because most major decisions taken by the IMF require an 85 per cent. vote and the United States alone has the veto. In addition, US influence over the IMF has been ramped up over the years. Every time the IMF wants to renegotiate the quotas it has to gain US congressional approval to do so. Congress, not unreasonably, poses ever more conditions as a quid pro quo for supporting the revamping of the quota system, so it has its hands on the IMF's policy stance, and that is recognised around the world.

The IMF, in the present context, is seriously underfunded. Discussions are taking place, in which our Prime Minister is involved, to try to resolve its funding situation. However, even if the funding is sorted out, questions still have to be asked about the IMF as an institution and about its

stance, because the Washington consensus is now damaged goods after the sub-prime catastrophe. One wonders whether the IMF will suffer reputational damage and whether that can be put right. It is not just about recapitalising the IMF; it is also about revising its role. People are calling for it to have an enhanced role in the supervision of international banking and to provide early warnings; to be a genuinely global supervisor and to have a strengthened brief on financial stability. All those things are needed—I do not think there is any question about that—but if any of that is to be achievable in a robust, sustainable way, there must be fundamental reform of the governance of the IMF. I am interested to hear what the Government think about that.

The second major institution that we have to consider is the Basel Committee on Banking Supervision, including the accords that have grown out of it, which was not set up by the G10 until the 1980s, long after the Bretton Woods discussion. The Basel accords eventually plugged the gap in the IMF's remit, but they did so a long time afterwards. They have not come out of this saga very well either, yet a great deal of store is being set on their coming to the rescue of the international banking system. Basel I, the first set of accords, was long ago acknowledged as weak, which led to all the negotiations that ultimately resulted in Basel II, which is still advocated by many as the gold standard of financial supervision. However, the experiences of the past year show that Basel II, too, has fundamentally failed. Long negotiations led up to Basel II, throughout which the banks lobbied hard for a system based on two core principles: internal risk rating—the banks doing their own assessment of their exposure to risk—and low capital thresholds. In the negotiations that led to Basel II, the banks got both those things, so they really won again.

It is worth looking at some of the detail of Basel II, which allows banks with sophisticated risk-taking models—that is now most of them—to select their capital adequacy ratio from an à la carte menu of options provided by the Basel Committee. Basel II also means that banks can use their own measures to determine their exposure to risk. There is no independent, externally verified risk measurement. The banks measure their own exposure to risk.

Basel II also allows the banks to allocate their risk weighting to each of their assets, including off-balance sheet assets. To read what the banks said when Basel II was negotiated gives the impression that they thought that they were moving into a world with a huge regulatory hurdle, but Basel II was the guidance that told banks that it was fine to reduce capital charges on lower-risk lending—that is Basel II's phrase, not mine—which was defined as retail loans and residential mortgages. It is extraordinary that it said that it was okay to have lower risk protection on those loans because they were safe.

Mr. Andrew Pelling (Croydon, Central) (Ind): I entirely agree with the hon. Gentleman's sentiments about the weaknesses of Basel II, but if there were a revision, it might be worth keeping one of the benefits—releasing the banks from the obligation of relying on oligopolistic suppliers of credit ratings—and having some discretion, because of the great failings of those American rating agencies.

Mr. Plaskitt: The hon. Gentleman makes an absolutely valid point. I am not trying to suggest that the whole Basel system should be dumped in the basket and forgotten. I am merely raising a suite of concerns about the content of Basel II, because I am worried that if world leaders, when they discuss re-engineering the architecture of banking regulation, assume that everything must proceed in the way that the accords previously proceeded, that will not be enough. That does not mean that there are not robust and important features in the Basel system, because there are, and they will want to retain them. I am pointing to the weaknesses, which will have to be addressed if we are all to have confidence in the new system, and if it is to be a permanent, not a temporary, fix.

I am running through some of the consequences of Basel II. Adam Applegarth cited Basel II compliance when he told the Treasury Committee last October that it was fine for Northern Rock to increase its dividend rather than to shore up its capital. He said that that decision was based on the regulations implied by Basel II. The accord's weaknesses have also been identified by the Bank of England in its financial stability report, which points to the weak treatment under Basel II of trading book assets and risks relating to off-balance sheet exposure. Many analysts argue that if Basel II were fully implemented, it would lead to lower capital asset ratios—even lower than the average 8 per cent. that it envisages.

Despite that, the Basel system in general has many advocates, and many of its features are perfectly respectable, but important institutions around the world still address the current issues of banking regulation using Basel II as the platform on which to build everything. For example, the European Commission proudly cites Basel II as the foundation on which it is writing its capital requirements directive, which is currently being debated by MEPs. Further refinements are being made to Basel II, some of which were set out in documents published in September. They call for regular stress testing, ensuring the alignment of risk-taking with liquidity exposure, and maintaining a cushion of quality liquid assets as insurance. Those are welcome reforms, but they are based on the core principles of Basel II, some of which are now exposed as fatally weak. It is worth remembering that the Basel accords are not law; they are simply guidance. They have no direct enforcement mechanism, and are entirely dependent on the interpretation of each country's central bank or regulatory authority. Nor is Basel II's remit comprehensive enough to embrace all aspects of the toxic mixture of banking practices that have imploded.

That tour of the institutions is the main part of what I want to say. It is relatively easy to agree a list of weaknesses: inflated balance sheets, assets of uncertain value, complexity of new instruments, dangerously high levels of leverage, too much dependence on wholesale funding, dangerously low capital asset ratios, and insufficient understanding of the level of global interconnectivity between the different practices and instruments that banks have introduced.

David Taylor: Will my hon. Friend add to his list of problems the fact that all the banks that failed in the US, Britain and the EU had a clean bill of health from auditors who were dependent on those banks for their appointment, fees and other income? Should we not have a more independent process? For example, PricewaterhouseCoopers charged Northern Rock

[David Taylor]

£2.4 million in 2007, of which £1 million was for consultancy. How can those auditors—other examples proliferate—be as objective as they need to be in the interests of depositors and the economy?

Mr. Plaskitt: I anticipated that when I reached this stage of my speech other hon. Members would want to add to my list. I do not disagree with my hon. Friend, and I am happy to take on board the point that he made. Whatever is on the list and whatever anyone wants to add to it, it points in its sum to systemic failure on the part of regulators. In reply to my first question on whether the failure is administrative or systemic, the evidence points more to systemic failure.

Regulators did not, or could not, keep up with the pace, extent and technical nature of changes in financial markets. They did not have the right tools for the job. It is relatively easy with increasing hindsight to agree on what is needed. Hon. Members may want to add to this list, but I shall give my requirements: timely early-warning devices, higher levels of transparency across the system, more cross-border supervision, counter-cyclical instruments, and re-engineering of risk measurement and management. How that can be done is the hard question. The main tools in the box are the International Monetary Fund, the World Bank and the Basel accords, and beyond that the interpretations by a host of different regulatory systems of what those accords say. However, they could also be described as the major contributors to the 2008 financial disaster.

I said that aspects of the matter are urgent, and in seeking an urgent response, there is a tendency to grasp the tools to hand. Clearly, there is urgency about the agenda, but in seeking to bring about a new global regulatory framework, there is a necessity for a great deal of reflection and careful building because there is so much at stake, but that calls for time, so there is tension in the discussions between time to get this important matter right, and the urgent need to avoid further calamities. That is a key tension, and I am sure that it will be a feature of the discussions in Washington and the follow-up work.

It is not easy from our perspective to know how those tensions in the system will work out, but it is important that Parliament considers, and engages in, the issue. That is all I am trying to highlight today. I hope that it will give the Government an opportunity to say more about their thinking as they prepare for the Washington meeting. If it will help the Minister, I will collapse all that I have said into three basic questions. What is the Government's analysis of what went wrong, and does it match mine? What are the key components of any new global regulatory architecture that is fit for purpose? Can they be securely based on existing institutions, or does a workable reform require us to conceive new institutions for global financial governance?

9.59 am

Mr. Andrew Pelling (Croydon, Central) (Ind): I have declared my interests in the Register, but we all have additional personal interests. I currently enjoy the pleasure of a NatWest overdraft and mortgage, and I hope that the credit crunch will not immediately impact on those. I am also prospectively a Royal Bank of Scotland pensioner.

I congratulate the hon. Member for Warwick and Leamington (Mr. Plaskitt) on securing the debate. His speech was an example of Parliament at its best—pre-scrutiny work on the challenges that the Government will face in upcoming meetings, during which how to deal with the medium-term implications of the current credit famine will be considered.

The hon. Gentleman emphasised particular issues that are worthy of consideration. He said that additional state support for the banking system might be necessary further down the line, and he rightly emphasised how we need to bear in mind that there are many national interests in the debate about the altered regulation that might be introduced. We must be aware of and cautious about the implications of change to regulation, because that will impact on our country's interests.

I should declare an additional interest: the World Bank has been and is a client of mine, and I know people at that organisation. For those who have not been to Washington, it is notable that it is only a two-minute walk from the White House to the World Bank headquarters buildings on I street. The closeness of that institution to the Washington consensus is important. Crucially, the hon. Gentleman mentioned how there is a real debate about what the new regulatory regime will be like; will it be unipolar or will it be diverse? I wish to take this opportunity to caution strongly against the dangers of adopting one overall system of regulation.

Following the theme of globalisation in relation to regulation, we must recognise that one issue connected to the financial crisis is that of financial contagion. If one goes down the route of ensuring that there is similarity in terms of regulation across financial markets and the globe, that contagion is more likely to be enhanced in any future crisis. To some extent, the degree of semi-detachment of the Asian financial markets from the rest of the financial global system means that they benefit from having some protection from the current problems. I wish to press upon the Government that when they seek to protect our interests during international debates on regulation, they should be aware that there is an argument for what might be described as regionalised circuit breakers and that there is an advantage in having some difference.

We must also bear in mind that if there is complete similarity in terms of regulation, it is possible that, geographically, businesses will find it easy to move from one place to another within the international financial system. Clearly, we have an interest in defending the concerns of the City of London. That is particularly important because, in terms of employment in Greater London as a whole, the financial industry has become dominant in our capital city—almost to the extent that it is the cuckoo in the nest.

There is a danger in following one solution to rescue the international banking system. There is no doubt that the Government have shown real leadership—even just in terms of installing confidence in financial markets—by taking vigorous and rigorous action. They have created an economic value by ensuring that they are seen to take quick and speedy action. However, I have some doubts about the medium-term efficacy of the equity capitalisation that has taken place. Unfortunately,

there is a great danger that such an approach is badly flawed. In my constituency, the south London economy is dominated by small businesses, which are being crushed by the credit famine. As Members of Parliament, we all complain and rail at Ministers from the Treasury and the Department for Business, Enterprise and Regulatory Reform about why the banks cannot deliver on providing 2007 levels of credit. However, it is quite unreasonable of us to complain in that way to Ministers. We are saying, "We own the banks; why can't they deliver?" However, the reality is that the banks cannot do so because they are badly wounded institutions, as the hon. Gentleman has mentioned.

Prospectively, up to £1 trillion of additional damage and risk might have to be considered for coverage. I earnestly believe that in their desire to be seen to act as quickly and responsibly as possible, the Government have alighted on the wrong solution. We should have followed what happened in 1992 in Sweden in terms of trying to remove the bad debts that exist on bank balance sheets and transferring that into a bad bank. That is the same model recently employed by the Swiss National Bank regarding UBS. The crisis in Sweden in 1992 was especially severe. The overall private sector bank defaulted debts were the equivalent of 15 per cent. of gross domestic product. On the basis of the figures in the hon. Gentleman's speech, our crisis could prospectively be even more significant. I cannot speak with the same clarity as him, but I shall try to bring the matter down to a simple comparison: the Government's policy is like someone saying, "I will buy your house because you're in trouble," when in reality the patient is bleeding to death and needs to go to hospital.

In many ways, the current level of confidence in financial markets is dependent on the credibility of the Government's actions. I fear that if the Government are driven to make a second round of bail-outs, their credibility will be greatly damaged and we will all suffer as a result. The Government made a good announcement yesterday about the creation of the new UK Financial Investments Ltd. That institution will be well positioned to form the new bad bank structure that has operated so successfully elsewhere—it was greatly successful in Sweden and proved to be profitable for the Swedish taxpayer.

In terms of the proposals for a singular global regulation, I fear that we might unknowingly end up successfully proselytising the unfettered free market style of markets that has brought us into this mess. I know that I am well away from the political consensus when I say this, but there is always a danger that as politicians, we will try to cling on to one or two items of consensus in a storm. We have to recognise that the free market fashion of central bank independence has failed. Central banks have shown an incapacity to deal with the issues of asset price inflation, which the hon. Gentleman so rightly emphasised in his speech. The Bank of England's performance has not exactly been stellar, so it amazes me that in the process of blaming the Financial Services Authority, people suggest that we should transfer powers to the Bank of England.

The hon. Gentleman rightly emphasised the issue of transparency. I am also worried about that to some extent.

The Exchequer Secretary to the Treasury (Angela Eagle): I am very interested in the hon. Gentleman's comments on Bank of England independence. Clearly, that is his view, but will he spend a couple of minutes explaining how he sees the system working instead? If he does not want the Bank of England to be independent, how does he see the regulatory system working?

Mr. Pelling: I am grateful for the Minister's intervention. A weakness in British politics is the way in which we, as politicians, have been happy to devolve many decision-making powers away from Parliament. My suggestion is that we should have confidence in our Ministers and politicians to make very good judgments themselves. I propose returning to the situation that existed pre-1997.

I was about to move on to transparency, which the hon. Member for Warwick and Leamington mentioned. I want to mention the issue of dark pools, which does not concern the swamp on the way to Mordor. It is the issue of off-stock exchange trading, whereby temporarily, for a few hours, information will not immediately be provided on large block trades that are going through exchanges. After the recent financial crisis, it would be wrong of us to continue to pursue that type of approach. The importance of transparency is a message that we clearly want to send to the financial sector, and it should be retained.

I am also concerned that the International Monetary Fund still shows a capacity to repeat the mistakes, in its obsession with free market solutions, that it made in 1998 as a consequence of the 1997 Asian financial crisis. That was seen yesterday in its determination to ensure that the 84,000 people of the Seychelles went through an immediate launch of their currency into free float at a time when the financial markets are absolutely crushing emerging markets. A country that already had a 175 per cent. debt to GDP ratio was yesterday forced to float its currency, and it saw that currency devalued in those markets by 43 per cent., so that the debt to GDP ratio today is 250 per cent. It cannot be right to expose those countries to that type of free market exposure, and that trend should not be pursued.

We must also recognise that in a unipolar financial market, those countries with very significant trade surpluses have been forced to invest those with just one choice of large liquid supply of US Government and US agency debt, and they have found themselves locked into a financial structure that is not necessarily to their advantage. The obvious Government policy as regards the US is to inflate and devalue their way out of the significant debt that they have secured. It must be a very strong argument, in terms of trying to recreate a structure for a new international financial system, to be able to provide an alternative large pool of investments for large trade surplus countries to be able to invest in.

One of the things most significantly to blame for the current financial crisis is the conduct of Japanese financial policy in the 1990s. That left us with the legacy of very low interest rates in Japan, which has meant that the carry trade has done so much damage in providing extra liquidity in the financial system internationally. Therefore, it is important that in any new structure that is created, there are responsibilities on Government in respect of the way in which that liquidity is provided.

I return to the point about there being an alternative large Government issuer. That large Government issuer of debt could well be the European Union. President Sarkozy is having a good war—perhaps a bit like our Prime Minister. His comments about the implications of the financial crisis are interesting.

[Mr. Pelling]

"The eurozone cannot continue without a well defined economic Government."

That hints at the logic that comes with the euro: ultimately, if people have a common currency, they need a concentration of common governmental powers. It is incumbent on us to help our European partners by saying that it is not in our interests to join that cause and to let them run ahead with their desire for a much more centralised system.

It is clear to me that many of our European partners are so angered by the damage that has been done by what they see in this financial crisis as a fault with the Anglo-Saxon nations that they will be determined, in their regulation, to stifle the Anglo-Saxon model of freewheeling financial markets, for good or for ill. We must ensure that in being determined to introduce heavy-handed regulation, they do not stifle the financial markets in the City.

10.15 am

Mr. Andrew Smith (Oxford, East) (Lab): This debate is timely and important, as others have said. I congratulate my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) on securing it and on his speech. He is undoubtedly right on the scale of the challenge and the urgent need for action. He set out with characteristic thoughtfulness and clarity the key issues and options.

On the question of what went wrong, we have to ask, along with all the other questions, what executives, boards and auditors were doing signing off balance sheets loaded with financial instruments, many of which they evidently did not fully understand and whose value or lack thereof they clearly had not properly appraised. One issue that certainly has to be examined more closely is the penalties for those who fall short on that scrutiny, both internally and externally.

In the spectrum of options that my hon. Friend set out, from light-touch regulation to micro-management, we need to establish clear rules. I take the interesting point that the hon. Member for Croydon, Central (Mr. Pelling) made about regional circuit breakers. That is a valuable concept, but we need some clear, objective and enforceable rules on the issues that my hon. Friend went through, on capital thresholds, the integrity of balance sheets, exposure to risk and transparency, as well as the points about reform of the IMF that he mentioned.

My hon. Friend invited us to add to his list of things that were wanted, and I propose to do just that because I want to focus my remarks on another aspect of international banking regulation which has not received much mainstream attention but which is vital to many of the poorest people on our planet. My attention was drawn to it by an article in *The Guardian* on 7 October written by Paul Collier, who is director of the centre for the study of African economies at Oxford university. In it, after an amusing but telling analysis—I will not repeat it now, but I recommend it to others—of why crooks can more or less safely be left in charge of fish and chip shops but not banks, he homes in on the crucial issue of how well banks have done out of banking secrecy and how that aids and abets the looting of enormous sums of money from Africa and other poor areas.

The article states:

"The loot-seeking elites that control parts of Africa illicitly send capital out of the region to the tune of $20 to $200bn per year."

Paul Collier bases that on a new study undertaken by Raymond Baker of the non-governmental organisation Global Financial Integrity. He then points out that a capital flow of that size is more or less equivalent to the total overseas aid to the region, so if it could be closed off, that would give rise to a similar amount of money as the doubling of overseas aid. Obviously, one would have to get the money out of the hands of the corrupt elites and use it for the benefit of the people, but it is an essential step in getting that enormous resource back where it belongs.

It is clear that current rules on banking transparency and supervision are unequal to the task of keeping track of, exposing and returning money taken from Africa and shifted around the global banking system and in and out of offshore accounts. The world has started to address the need for better scrutiny and accountability in the wake of 9/11, when the need to combat the financing of international terrorism became evident. However, as the article points out, some banks resisted even that. It is right to ask whether the same scrutiny should not now be extended to the salting away of the products of corruption, bribery and extortion from poor countries—and those countries that ought not to be so poor—that are governed by corrupt political and business elites.

The banks, not only here but around the world, now need Governments to use their citizens' money effectively to give retrospective guarantees, bailing them out in respect of practices that, as we have heard, should never have been allowed to grow in the first place. In return, should we not insist that the global financial system stops facilitating the exploitation of poor people in Africa and elsewhere? Now that the banks are over a barrel, is it not time to force greater transparency upon them?

I therefore ask my hon. Friend the Minister to say first whether she agrees that that is a serious and pressing issue. Secondly, will she undertake to look further into that aspect of international financial regulation? Thirdly, will she let me know what the Government are doing to put it on the international agenda, at the forthcoming G20 meeting and more generally? We cannot allow banking secrecy to collude in the looting of wealth from the world's poorest, and I very much hope that the Government will do something about it.

10.21 am

Mr. Colin Breed (South-East Cornwall) (LD): I add my congratulations to the hon. Member for Warwick and Leamington (Mr. Plaskitt), not only on securing the debate but on giving us such an excellent resumé on its context. I also congratulate the hon. Member for Croydon, Central (Mr. Pelling) on his interesting comments. I entirely agree with the right hon. Member for Oxford, East (Mr. Smith) that it is timely to consider the fact that banks have clearly facilitated corrupt Governments and businesses putting money beyond the people that they should serve. That aspect is just as urgent as the others, and it should not be lost in the mix.

We all agree that urgent regulatory reform is necessary. It is salutary to realise that the tightening of rules usually follows a failure. I remember all too well the BCCI scandal. The question is why we do not seem to be able to get ahead of the curve. Why do we have to go through failures, large and small, before getting a grip on what needs to happen? Then, of course, circumstances change, the whole situation goes full circle—and again we find ourselves seeking to regulate something that has already happened.

There is a lively debate between Europe and America over rules-based and principles-based regulation. I doubt whether there will be much meeting of minds. We believe that principles-based regulation seems to be the way forward, although it may have contributed somewhat to the problems. However, the Americans clearly want to insist on a rules-based system, although in many respects that does not seem to have worked well either.

Everybody is blaming everyone else, but it seems that there has been a collective group think between regulators, banks and auditors and that they are standing behind each, or beside each other, supporting each other in saying that everything is okay and that no one has been shouting out that the emperor has no clothes. It seems that no one has been waving a flag, saying that something is wrong that needs to be dealt with quickly. A combination of complex instruments, probably faulty accounting standards, a reliance on credit ratings agencies, substantial leveraging, off-balance-sheet items and internationalisation—the way in which banks now straddle the globe and therefore straddle individual regulatory authorities—has given rise to the problems that we are seeing today.

However, even after yesterday's Treasury Committee, with the Chancellor, the Governor of the Bank of England and the Chairman of the Financial Services Authority giving evidence, we cannot say that there were no warning signals. Although everyone could see them in hindsight—that is easy—I believe that the signals were clear.

Those signals should have been picked up by those charged with the responsibility. Initially, that was the banks themselves—and not only the boards of the banks but the risk committees. Then there are the internal auditors. The external auditors rely significantly on internal auditing. I suspect that some internal auditors had been waving the flag, but they were drowned out by the need to push on—partly because of the structures that rewarded people and partly because of the share prices and the fact that everything was looking well. None the less, I suspect that there were some who should have been listened to. I do not believe no one was flagging up the problem.

The current situation is indeed dire. Getting back to prudent levels of capital ratios will be extremely painful. If we are not careful, the so-called nice decade will be followed by a very nasty decade, and heading it off will be difficult. Although international regulation is clearly important, domestic regulation is vital. I suspect that it may be much more difficult to get international agreement, but each country ought to be clear that it is important to get its own regulations in place. The Banking Bill now being debated in Committee is a good attempt to get some of these changes on board, but I do not believe that it is necessarily the final solution. As I said, the warning signals were there in Northern Rock, Bradford and Bingley, Lloyds TSB, and HBOS and RBS. However, they were not heeded, not picked up, not acted upon.

There seems to be a sort of paralysis, with each country doing its own thing domestically unless it fits in with some international regulation. I fear that if we wait for some sort of international consensus we will not be able to put our as much of own house in order as we should. Delay is dangerous. Although international co-operation and regulation are important in harmonising our efforts, we should not divert our attention from putting our own regulatory structures in place.

Urgency is the key, and the forthcoming meeting in Washington will be extremely important. Examination of the roles of the International Monetary Fund and the World Bank will put the system under pressure. There appears to be a need for fundamental change. I will be interested to discover what approach the Government are taking and what their solutions may be, as they join those discussions.

I believe that two major issues must be tackled—those things that have changed so significantly in recent years. The first is the international operation of banks generally; their enormous size enables them to straddle all sorts of markets, and we need to regulate them effectively across the globe. The second is the variety of activities that those global institutions now undertake, of which banking is only a part. For instance, they deal in insurance and have all sorts of financial departments and sections. In a way, it is that combination of relatively recent factors that have exposed the current regulatory system to failure.

We have not grasped the significance of the increased internationalisation of banks, and we have not grasped the importance of their expansion into all sorts of new areas and the creation of all sorts of instruments. Things have reached the point where we are floundering around trying to find a way to regulate and supervise the system. That prompts the question—and this is the other side of the coin—about whether the regulators should try to grab hold of the banks' coat tails as they move out into new areas of financial instruments and global operations, or whether we require the banks to reorganise themselves so that they can be more effectively regulated.

We recognise that banks are not the same as any other sort of commercial operation; they are clearly important for the world economy and we require them to act in a certain way. However, if they have constructed themselves into entities that are almost impossible to regulate and supervise, should we not seek ways in which they can be de-aggregated or split apart rather than centralised, so that we can look more clearly at the differing requirements of their individual activities?

Basic banking on the high street is significantly different from the derivatives market in capital terms. However, 99 per cent. of people in this country who require an ordinary, basic banking service from their high street bank, perhaps with a mortgage attached, have great difficulty in securing a new mortgage or obtaining loans for a small business. That is purely because of the activities in another part of that large bank, which have caused these failures. Is it time to look at such mega-institutions and realise that effective supervision, control and regulation is simply not possible under their current construction?

[Mr. Colin Breed]

If the international community is going to be the lender of last resort with the bail-out provided by the taxpayer, it should require banks to change the way that they operate and de-aggregate some of their activities. We need a fundamental reassessment of the way that current banking operations work internationally. If we look at the current size of enormous banks and their range of activities across many different countries and regulatory systems, I severely doubt that we can be sure that we will not encounter a similar situation in around a decade's time. It is time for a new approach.

Mr. Plaskitt: I am grateful to the hon. Gentleman for taking an intervention, as he is coming to the end of his remarks. Does he agree that there is a certain historical circularity about this? There was a time when banks were legally obliged to operate in separate spheres. I think particularly of the legislation that was passed in the United States after the great depression, and the Glass-Steagall Act that prevented banks from crossing the line that the hon. Gentleman mentioned, and doing retail banking as well as other things. Do present circumstances suggest that perhaps it is time to revisit the issues and the debate that took place when that legislation was repealed, and see whether something similar needs to be introduced and whether that would in fact be possible?

Mr. Breed: I thank the hon. Gentleman for his intervention. That is exactly what I was suggesting. What we have allowed to happen so quickly and over such a range of different issues means that our somewhat shaky regulation is now totally out of place. I wonder whether we should be looking at some of the older models.

The financial services compensation scheme was never designed to bail out a huge high street bank. It was intended for smaller operations that might fail due to poor lending decisions or a structural problem—the big banks would put their hands in their collective pocket and bail such operations out, as they did not want a systemic failure. Can we consider a financial compensation scheme that will require pre-funding for the sort of potential problems that might occur with another RBS? It is almost unthinkable. Investment banks have been allowed to leverage up to such an enormous extent that it has put under pressure their normal banking business, which affects so many of us. The irony is that those who have supported their local bank with their business are the very people who have to put their hands in their pockets through their taxes and bail out the other part of the bank. It is untenable, and we must revisit the idea of separation rather than continuing with the current aggregation.

10.35 am

Justine Greening (Putney) (Con): I would like to start by congratulating the hon. Member for Warwick and Leamington (Mr. Plaskitt) on securing this vital and timely debate. As has been mentioned, his contribution was thoughtful and articulate, and I thank him for giving us the opportunity to debate the issue. He was right to focus on his hypothesis about what went wrong, which largely centred on the banks but included the regulators and the regulatory framework.

A further aspect that I will mention before moving on to the substance of my remarks, concerns those Governments who, with the amount of credit that was being pumped into the economy, saw the short-term benefits from greater spending and apparent economic growth. It was difficult for Governments to call time on that, which perhaps challenges the point raised by the hon. Member for Croydon, Central (Mr. Pelling) on where the responsibility should lie.

There is no doubt that underlying all of this is the importance of the financial services sector, particularly to our country, but also broadly across the world. Britain is no different from any other country in that the financial services sector is the financial heart that keeps the economy going. Over the last year and a half since the credit crunch first hit, we have experienced a form of financial heart attack that is now having painful effects on the broader economy. When the capital adequacy rules, which were meant to ensure that banks, credit institutions and investment firms had a minimum capital base in order to protect them against such risks, were stress tested, they failed the test. The crisis that we are debating has shown up our flaws not only at home but internationally.

Let us look at our home economy and at what has happened and gone wrong. The Opposition are working with the Government on the Banking Bill, which should address some of the issues that have come out of our own experience. The reforms in that Bill, which will enable banks and regulators to act sooner through the special resolution scheme, will be important. It will be easier for authorities to rescue banks that have got into trouble by using the bank insolvency procedure. That will enable an orderly wind up and will be of benefit. Behind that is the issue of the tripartite approach. When the hon. Member for Warwick and Leamington was speaking, it struck me that in a sense, the question we face in Britain is the same as that faced the world over, although at a different level.

In Britain, one institution, Northern Rock, was challenged and essentially went down. It had been looked after by the Financial Services Authority as a single bank, but it ultimately posed a systemic risk. The problem with the tripartite scheme was that that broader systemic risk was not picked up and addressed rapidly enough by the Bank of England. At the international level, if there are stresses in one country—Iceland, for example, or the United States where the problems started—it impacts across the world. A similar challenge is understanding how one localised problem, whether a bank within an economy, or a particular economy within a global system, will impact overall and what difficulties will occur.

One measure that we have proposed, which would address one of hypotheses raised by the hon. Member for Warwick and Leamington about the inflation of banks' balance sheets, is for the Bank of England to have oversight on debt and credit levels in the overall economy. In terms of responsibility for flagging up problems or having an early warning system, as the hon. Member for South-East Cornwall (Mr. Breed) has suggested, there is no doubt that giving the Bank of England a remit to look at overall levels of debt and credit flowing around the economy would be a welcome change. The Bank could make regular reports to the FSA, which could look at how that overall risk might

impact on individual institutions. Obviously, some of those issues were addressed, as the hon. Member for Warwick and Leamington has said, by the Bank of England's financial stability report last month.

Even so, setting aside some of the more domestic difficulties that we have faced, reforms clearly need to take place at the global level. As the hon. Gentleman has said, we have relied on the Basel accord and the Basel II reforms when it comes to capital adequacy rules. However, in practice, that has caused problems—we can see that simply by looking at what happened. We can look at the theory and have an intellectual debate, but the adequacy rules have demonstrably not provided a sufficient guarantee against banks failing.

I should like to touch on some key aspects of that—I know that the hon. Gentleman wants to listen to the Minister's response to his questions—the first of which is the fact that liquidity risk was possibly ignored too much. Therefore, banks that had very low liquidity, such as Northern Rock, were still able, as the hon. Gentleman has said, to stay within the rules. That is clearly a problem. We need also to look at how the existing rules can lead to what seem to be sub-optimal or dysfunctional asset allocation, for example, because of zero-weighting of AAA-rated assets.

The hon. Member for South-East Cornwall has mentioned forcing banks to compartmentalise their operations. I understand why he takes that view, but I wonder whether it would not be jumping to a solution too quickly. Banks could be compartmentalised into retail and investment banking for example, but, actually, the genesis of the problem was ultimately in retail banking and mortgages. When we look at the problem, we see that there was a bad understanding of risk—we keep coming back to that. It is therefore about understanding the reality of risks faced by, and capital structures of, the banks concerned.

Mr. Pelling: Was not the real problem the avarice of banks, which determinedly pushed out securitised obligations that were not properly checked? Many of the tranches were given automatic AAA-ratings, so senior management and investors did not really look at the detail of the real risks that they were taking.

Justine Greening: The hon. Gentleman is, of course, right. I have set out some aspects of the problem, but a range of things went wrong collectively to lead us to today's situation including, of course, the ability of the credit rating agencies and the way in which they rated some of the debt when it was being packaged and sold on. It seems that because of the way in which the credit rating agencies are incentivised and how their businesses run, they signed off more debt, which is part of the problem that we are dealing with. That, combined with—I am sure that banks would challenge this—an excessive reliance on the risk ratings given by agencies, as has been said, may appear as the sub-contracting of risk assessment to outside agencies. If such ratings are done as an independent check, and if ratings simply validate an internal assessment of risk, they can be of benefit. However, there is no benefit if there is no internal initial assessment of risk.

Overall, market risk was not effectively measured. We had backward-looking models that looked at what had happened. Clearly, nobody is ever more sure about a trend than the prevailing market wisdom the day before the trend stops. There was a growing certainty about the continuation of asset price inflation. That raises the question of introducing rules that are more counter-cyclical when it comes to credit and capital adequacy, rather than the pro-cyclical environment in which we found ourselves.

Transparency was part of the problem. Consumers will, in the coming years, be far more willing to ask whether a bank is a sound financial institution. The big thing that we have not talked about today is how the public will view banks—they may be far keener to see financial information on banks with which they plan to make debt, mortgage or savings transactions. That could be one of the more fundamental—and helpful—changes. A critical consumer eye could now come into the equation, alongside any regulatory reforms that might be introduced.

A final caveat is that we must be careful that we do not use a regulatory-reform blunderbuss to tackle the problems. There are several problems, and we therefore need a more sophisticated approach than saying simply, "Let's have more regulation." Rather, we need smart regulation. If we look at the recent US experience of the Sarbanes-Oxley legislation in response to Enron, we can see that inappropriate, heavy-handed regulation often does not achieve its objective. We need to be careful that we do not go down that route, and it is especially important for us to be watchful.

Obviously, there will be a new US President this week, and we must carefully ensure that we work at an international level. The Prime Minister has pointed out that we will need leadership from the US to navigate us through these challenging times. Up to now, we have had a vibrant financial sector in the UK, which is important to our economy in terms of jobs as well as providing its lifeblood. We need to ensure that any reforms do not unnecessarily hinder competitiveness without providing more financial stability. We do not want to jeopardise our financial sector's future success and growth, and we have to get it right first time.

We need to find a blend between international co-operation and domestic reform. There is no doubt that a one-size-fits-all regulator would be an excessively constraining and over-the-top response. We need something a little more sensitive than that—something that results more from co-operation. It is clearly in the common interest to achieve co-operation in new reforms, rather imposing something on countries. We need to get this right. As the hon. Member for Warwick and Leamington has pointed out, the challenge is momentous and immediate, and we need to rise to it. Clearly, over the coming months, we will focus on it and, hopefully, get it right first time.

10.48 am

The Exchequer Secretary to the Treasury (Angela Eagle): I should like first of all to congratulate my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) on his great foresight and timing in managing to get a debate on this crucially important topic. We have had a fascinating glimpse in the debate of the complexities of the issues with which we are dealing. That gives a great deal of credit to my hon. Friend and to everyone who has contributed.

[Angela Eagle]

Current international financial conditions are unprecedented. In addition to the work that the Government are doing domestically to restore faith in the banking system, there must be a global response to what is a global economic crisis. My hon. Friend mentioned Bretton Woods and Basel, and I will deal with both, but he was right to bring them to the attention of the Chamber. The Bretton Woods framework of 1944 reflected the determination of leaders and economists such as J. M. Keynes to avoid the disastrous economic nationalism that led to the great depression and which helped lay the groundwork for the rise of fascism and ultimately the calamity of the second world war. In the decades since, the Bretton Woods institutions have been a key element both in supporting international co-operation and countries that have been hit by negative shocks, and in providing the long-term financing and assistance necessary for sustainable growth. At the same time, the way in which the institutions work has certain drawbacks. As my hon. Friend pointed out, they are anachronistic in many ways and reflect a different world. If I have time, I will outline how the Government intend to approach the reform of such institutions.

Over the years, we have added to the Bretton Woods framework. In the mid-1970s, the Basel Committee on Banking Supervision was created to set common standards for financial regulation around the world. Following the Asian financial crisis, we created what is now known as the G20 to bring together emerging markets and developed countries to address the serious economic problems of the time. In the late 1990s, we created the Financial Stability Forum, which has improved the quality of banking regulation and promoted a more international approach to financial market developments. Nevertheless, recent events have confirmed that the world economy has changed irrevocably. The Bretton Woods framework was created for a world of 50 relatively sheltered states. We must now consider whether it is time for another wave of reform—I think that the case for that is overwhelming—to create a global financial system that is fit for a modern and more interconnected, globalised, IT-driven world. We must do so while we continue to address the immediate effects of the ongoing financial crisis at home and abroad. Effectively we need to do both things in parallel, and that approach has been reflected in all of the comments in our debate.

The turbulence in international financial markets has the potential to affect every country around the world, so a co-ordinated international response is required. We need national action, but that will not solve the problem on its own. National systems of supervision are simply not in an adequate position to respond to the huge cross-continental flows of capital in this different, more open, more globally interdependent world. The first step has been taken to stabilise market conditions. The British Government, as part of a co-ordinated international effort, have taken rapid and well-targeted action to recapitalise the banking system. The Bank of England has doubled the amount of liquidity that it provides to banks, and we have guaranteed new lending between the banks so that we can get lending working again. That action has strengthened confidence in the banking system, put financial institutions on a firmer footing and provided support for the real economy.

Britain's fast action has been widely applauded, and many other countries have followed our lead and taken similar action. The G7 action plan, which took a lead from the UK plan, has provided a framework for effective co-ordinated international action, which has resulted in more than £300 billion being approved from public funds to recapitalise banks worldwide. We remain committed to taking all action necessary to restore confidence and stability in the financial system. International co-ordination is a central part of the Government's response and we will continue to work with international partners going forward. My hon. Friend is right to say that international financial institutions, too, have a role to play—I am not just referring to stabilisation, but I do not wish to talk too much about that in the time that I have left.

I want to move on to the points that my hon. Friend made about how we can reform the system so that it is more fit for purpose. After initial stabilisation, the next step is to achieve a global financial system that is fit to meet the challenges of the future. As many hon. Members have said, the financial crisis has revealed problems at the heart of the international financial and regulatory system that we must rectify. That means addressing not only reforms to the supervision and regulation of financial markets but global governance arrangements. The Prime Minister has stated that the reforms must be guided by five principles: transparency, integrity, responsibility, sound banking practice and global governance with co-ordination across borders.

Strengthening of the supervision and regulation of the banking sector is essential. Significant steps have been taken that build on the recommendations of the FSF and that are in line with the road map agreed with European Union partners. For example, the FSF recommended strengthening Basel II capital requirements for banks using off-balance sheet vehicles. We should move forward with that proposal as it represents an important step towards restoring faith in the banking system. Beyond those immediate challenges, more progress is needed to establish globally applied standards of financial regulation and supervision for the future.

We have made a number of proposals to international partners, including improving incentives in financial institutions to manage risk; improving transparency in financial markets; ensuring appropriate regulation of all financial institutions and markets; and ensuring that the financial system supports economic stability. Better supervision and regulation need to be coupled with better global governance. Events have shown that global financial markets present challenges that no one nation can solve in isolation. We have to strengthen global co-operation and build a new global financial architecture for the years ahead. The new global governance should deliver a global early warning system so that future risk to global economic and financial stability is identified and mitigating action is taken early. There should be effective cross-border supervision of global firms, including through international colleges of supervisors, globally accepted standards of supervision and regulation applied consistently across countries, and mechanisms for co-operation and concerted action in a crisis through international cross-border stability.

Mr. Andrew Smith: I know that the debate is drawing to a close, but does the Minister agree that action must be taken to deal with the proceeds of corruption and

exploitation and the collusion of the international banking system? If she does not have time to address the matter now, will she write to me and tell me what the Government will do to put it on the international agenda?

Angela Eagle: I agree that it is a vital issue and my right hon. Friend has done us all a service by raising it. I am happy to write to him, but we have strongly supported international efforts, both against money laundering and terrorist finance and to enhance the transparency of the banking system.

A number of positive steps have already been taken in recognition of the global change that we need. For example, the IMF recently established a new macro-financial surveillance unit, and reviewed its global financial stability report. We believe that more needs to be done to strengthen its role. The IMF's statement of surveillance priorities agreed by Ministers at the annual meeting sets out a clear strategic focus for IMF surveillance. We believe that the IMF must work more closely with the FSF to provide a clear warning of risks to global macro-economic and financial stability.

Mr. Plaskitt: While the Minister is on the subject of the IMF, do the Government think that it is time to consider the governance structure of the IMF and the issue of US dominance, especially as the Prime Minister is now leading efforts to bring in funding from states that are not appropriately represented on the structure of the board?

Angela Eagle: The UK has been at the forefront of the debate to try to get some kind of reform of the voting structures and architecture of international institutions, including the IMF and the World Bank. However, achieving such reform is almost as challenging as getting things agreed at the European Union when vetoes are used. It is clearly an important matter and we will continue to take forward our ambitions in that area.

We have entered a new era for the global economy. We need a new international system that is fit for purpose, both to deal with the many different and evolving challenges of the system of global banking, finance and economics and to stabilise the current situation. The Government are determined to make important progress in both areas and have been leading those efforts both at home and abroad.

Fire and Rescue Services (South-West)

11 am

Mr. Mark Harper (Forest of Dean) (Con): It is a pleasure to serve under your chairmanship, Mr. Benton. I welcome the Minister to his position. This is certainly the first time that I have spoken in a debate with him in his current post; I do not know whether it is his first outing in the role. I am also pleased at the good turnout from Gloucestershire, including my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) and the hon. Member for Stroud (Mr. Drew). I am particularly delighted to see the hon. Member for Gloucester (Mr. Dhanda) who was of course responsible for the issues in question before recent changes. I commiserate somewhat with the present Minister for the rather poor inheritance that he has to deal with.

Local fire and rescue authorities throughout England face the prospect of having to make cuts to their fire services, or raise the amount of council tax that they must charge, if the fire control regionalisation process continues. There is no guarantee that any of the measures that are proposed will improve fire services.

Mr. Parmjit Dhanda (Gloucester) (Lab): Will the hon. Gentleman give way?

Mr. Harper: In a moment, when I have finished my opening remarks.

Major problems have been revealed with the Government's plans for regionalisation.

Mr. Dhanda: I am surprised that the hon. Gentleman, my neighbour, has not discussed the matter with our chief fire office, who would tell him that with respect to FiReControl, all new burdens are being met from central Government, not by local taxpayers. I am not sure where he gets his information.

Mr. Harper: It is helpful of the hon. Gentleman to raise that subject. He will know that the Government have made a commitment to meet the incremental costs only for the first three years of the project. After that, local taxpayers will bear the burden. It is a typical case of the Government putting burdens on them and covering the cost for the first few years, after which costs must be met by those local taxpayers. They have seen through it, and so have councillors—I think that hon. Members have seen through it, too. I want to make a little progress now, and then I shall be happy to take further interventions.

The Government's proposal is to close the existing 48 control centres, and replace them with nine large regional control centres. That move was announced at the end of 2003. One of the stated objectives is to improve efficiency. A further aim, which is the one by which I am unconvinced, is increasing public safety and enhancing national resilience. The Government's chief fire and rescue adviser, Sir Ken Knight, who will, I suspect, be oft-quoted by the Minister, as he was by the Minister's predecessor, highlighted the excellent response of the fire services to last year's floods, despite very difficult conditions. That is something about which we know well in Gloucestershire, as we were at the epicentre. Sir Ken has said:

"My review shows that there was a magnificent response by the Fire and Rescue Service's firefighters, control room and support staff. Firefighters responded with their renowned professionalism

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and complete dedication to the challenges faced in very difficult conditions. The national coordination of the high volume pumps across the country worked well, helping to protect infrastructure and homes."

Mr. James Gray (North Wiltshire) (Con): My hon. Friend knows that I want to pay tribute to Chippenham fire service, which provided the boats for Gloucestershire during the crisis last summer, demonstrating that cross-border co-operation works extremely well at the moment without the creation of the new fire control centres that the Government propose.

Mr. Harper: I am happy to join my hon. Friend in paying tribute to his local fire service, which performed extremely well, as did the Gloucestershire fire and rescue service.

To be fair, Sir Ken went on to say that there were problems; but my contention is that those problems have different solutions, and that it would be better to consider an alternative—co-locating fire and rescue services with other emergency services. That approach has worked extremely well in Gloucestershire.

Unlike many aspects of local government, fire and rescue services are generally efficient, well run and popular with residents. They have adapted to significant change since the publication of the Bain report in 2002. The 2007 Audit Commission report on the majority of fire services would be the envy of many council chief executives. Indeed, I have already highlighted what Sir Ken Knight said about how well authorities coped with the floods last year.

Mr. Dhanda: I agree with the hon. Gentleman about how the service coped in Gloucestershire. Its members did incredibly well with the system available to them, but the hon. Gentleman is being very partial in his quotations from the chief fire and rescue adviser's report. He made it very clear—and the chief fire officer of Gloucestershire made it clear to the Department—that thousands of calls came in that could not be answered by the system, because the system that exists is not resilient enough. That must be changed, and Sir Ken Knight made it clear in his report.

Mr. Harper: I did, as well as quoting Sir Ken's positive remarks, say that he acknowledged that there had been problems. My contention is that the way to deal with those is not to remove the very good locally-based systems, throw them away and set up something new and untested, but to build on what we have. In Gloucestershire, for example, we benefit from a tri-service centre at Quedgeley, in the constituency of the hon. Member for Gloucester, with the police, fire and ambulance services co-located next door to the police headquarters, which, together, operated as gold command during the emergency last year. The tri-service centre was set up in 2003 at a cost of £3 million and it enabled the emergency services and county council, and other bodies, to provide a co-ordinated response. Following last year's events, Gloucestershire's deputy chief fire officer Chris Griffin said in response to Sir Ken Knight's comments:

"The arrangements between the three emergency services worked well during the summer's flooding crisis and the working relationship was strengthened and enhanced by their close proximity. It's always been my view that emergency services work better when they train together and are co-located together."

The chief constable of Gloucestershire, Dr. Tim Brain, who was the gold commander last year, defended the service and the tri-service control centre by saying:

"To lose the close inter-agency working which the centre affords the county can only have a detrimental impact upon our collective ability to effectively deal with crises affecting residents and visitors to the county."

That does not, of course, mean that there are no improvements that can be made. However, it would be more sensible to build on what works well in what we have. I shall come back to that point.

It could only be the present Government who would choose to put the south-west fire control centre—something that is supposed to improve resilience—on a site on a flood plain that is at high risk of flooding. That was pointed out and there has been a bit of jerry-rigging on the site, putting defences around the fire control centre to protect it from flooding, but it is only the present Government who would put such a fire control centre on a flood plain when only last year we had to protect ourselves from a major flood. If we had another major flood the new fire control centre would be one of the first places to flood, and even if protections were built around it, instead of pictures of Tewkesbury abbey as an island in the middle of a flood, we would have pictures of the south-west fire control centre in exactly the same position.

Mr. Dhanda: I do not want to turn the debate into a dialogue, and I shall try not to intervene on the hon. Gentleman again—I shall make my own points later; but that myth has been kicking about for more than a year. The site is not in an area of flood risk. The hon. Gentleman mentioned the word "jerry"; well, there is a Jerry who is a key figure in the debate—a Conservative councillor called Jerry Willmott, in Wiltshire where there is also a tri-service centre. He made it clear that we need FiReControl to save people's lives. It is all very well co-locating a command centre, which is something that can continue to happen—it would happen again in the city of Gloucester if a major event were to occur—but at the same time Jerry Willmott makes it clear that we must put other measures in place to save lives.

Mr. Joe Benton (in the Chair): Order. That intervention was too lengthy.

Mr. Harper: Thank you, Mr. Benton. To respond—I shall not dwell on it for too long—the Environment Agency's flood risk website shows the location of the proposed south-west fire control centre to be in an area of flood risk, on a flood plain. That does not appear to be a wise place to put a fire control centre, one of whose key purposes is to provide resilience. It is not where I would have chosen to put it.

Mr. Gray: I am most grateful to my hon. Friend for giving way. I will not keep interrupting. Jerry Willmott, who is indeed a Conservative councillor from Wiltshire, is wholly opposed to the notion of a single fire control centre in Taunton. I have no idea where the former Minister got that information from. Jerry Willmott has gone to great lengths recently to say that we are operating

under huge demand with limited resource, and to attack the Government of which the hon. Member for Gloucester is a Member.

Mr. Harper: I am grateful to my hon. Friend for intervening to put the record straight on behalf of Councillor Willmott.

There is also discontent within the fire service itself about the Government's plans. A leaked letter from the head of the new south-west regional fire control to the former Minister, the hon. Member for Gloucester, revealed widespread discontent about the Government's plans. The head of FIReControl warned that local fire and rescue services would not voluntarily submit to the Government's regionalisation and criticised delays in the project that led to "immense frustration" and "profound disappointment". Ministers were told that

"confidence amongst the company directors, our hard working officers and, we suspect, fire authorities is now rock bottom."

The cross-party Select Committee on Communities and Local Government has already sounded the alarm, saying that

"there is no evidence to suggest any overall saving...we are unconvinced that the Government can offer the assurance of maintained or improved service quality resulting from the FiReControl project".

Another worrying sign, apart from the lack of evidence that service to the public will improve, is the escalating cost of the project. The Government belatedly published a new regional business case in July, and an updated national business case has yet to be published. Last year's business case admitted that the costs of the project were £400 million over its original £1 billion budget. By any measure, such an escalation in cost is significant, and it indicates that the project has been poorly managed, at least financially.

The Fire Brigades Union commissioned an independent report from the Institute of Public Finance on the business case for the FiReControl project. The report forecast that between October 2006 and June 2007, the total invested in the project by the Department for Communities and Local Government would have risen £180 million from £160 million to £340 million, a rise of 112 per cent. Annual efficiency savings were forecast to fall 80 per cent., from £115 million to £23 million. The costs are rising considerably, and the forecast financial savings are falling at almost the same rate. That is incredibly worrying for taxpayers in general and for local taxpayers in Gloucestershire and the south-west specifically.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Has my hon. Friend contrasted what is proposed for our fire and rescue service with what was proposed and implemented for our ambulance service? We were told when the Gloucestershire, Wiltshire and Avon ambulance services merged that we would get lots of savings and a better service. Does he not think that the Government are making exactly the same statements now, and that we will end up with a worse service in Gloucestershire that puts people's lives at risk, which is exactly what has happened with the ambulance service?

Mr. Harper: I am grateful to my hon. Friend for that intervention, to which I will respond briefly, as I do not want to stray too far from the subject of this debate. He is quite right. Claims that regionalising services—taking smaller services and joining them all together—improve services and lower costs have proved over the years to be false. The example that he gives is a pertinent one, as it involves emergency response. At the time of that merger, we were all promised better services and lots of savings from efficiencies. Those savings would be ploughed into front-line services, and the public would see a better response, faster response times and an improved service.

As my hon. Friend said, that simply has not happened, and there is a great lack of confidence that it will. A significant amount of extra money now has to be invested to deliver those improved services. He has demonstrated that there is simply no evidence that there will be tremendous savings from the project to pay for it all and deliver improved services. The Government's track record on the subject is very poor.

Mr. Dhanda: Will the hon. Gentleman give way?

Mr. Harper: One last time, as others want to speak.

Mr. Dhanda: I hear what the hon. Gentleman says about the need to preserve what we have at the moment, but I do not think that he would disagree that we need to invest in technology as well. Gloucestershire in particular does not have the ability to trace where its engines are. It does not have satellite navigation systems and it has no way to trace a call, let alone obtain floor plans for buildings that are burning down. If he wants to replicate the required technology in all 46 control rooms, will he commit his party to it and urge his Front Bench to commit to spending at least an extra £2 billion to do it?

Mr. Harper: The hon. Gentleman is welcome to look at the record of Gloucestershire's fire and rescue services, which is very good and has continued to improve. They have worked incredibly closely as part of the county council to deliver excellent services. He posits a false choice. The Scottish National Party Government in Scotland, in a move largely unnoticed south of the border, has cancelled the regionalisation of Scottish fire control centres, but Scotland is still going ahead with improvements to IT, infrastructure improvements such as digital radios and GPS and interoperability with other emergency services, demonstrating that improvements in technology for resilience can still be achieved without flawed regionalisation plans.

Perhaps the UK Government might take a lesson from the SNP Government. I know that they find that painful, and sometimes the arguments in Scotland between the two parties are painful to watch, but perhaps they could accept that the SNP Government have made a sensible decision in that particular case.

Mr. Clifton-Brown: I am grateful to my hon. Friend for giving way; I will not trouble him again. Is not the answer to the hon. Member for Gloucester proved by the Government's large-scale IT failures, for example in patient records? Is it not much better to have smaller high-tech projects? Are not smaller units that can talk to each other in a high-tech way much more likely to produce better results than one large national scheme?

Mr. Harper: Indeed. My hon. Friend is absolutely right for two reasons. First, a parliamentary answer given to Lord Hanningfield in the other place about

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why the costs of the FiReControl project had escalated stated that a significant amount of the extra cost was due to certainty on costs arriving once the Government had awarded the IT contract. Clearly, IT and the failure to manage it properly is one of the key drivers.

The other significant reason, given the Prime Minister's admission yesterday that the Government simply cannot be trusted not to lose personal data and information, is that we cannot trust the Government to manage large-scale IT projects or have confidence that they will be under budget and well managed. That confidence is deservedly low, and my hon. Friend is right to be sceptical about huge projects. More sensibly scaled projects are much more likely to be successful.

To return to the costs, as I said in answering the intervention by the hon. Member for Gloucester, although the Government have pledged to fund centrally the increased running costs of the regional control centres, they have pledged to do so for only three years. After that, local fire authorities are likely to have to pick up the bill. In the case of Gloucestershire, where fire services are part of the county council, other services will have to be cut to fund them or the precept on the council tax payer will have to rise. Neither of those choices will be welcome to council tax payers in Gloucestershire or elsewhere.

July's regional business case admits that

"additional efficiencies and/or revenue generating"

will be needed. One need not look very hard to notice extra taxes in there, which are not welcome at any time, particularly in the straitened financial circumstances that we face.

Indeed, in May the Government instructed the new regional management board to deliver more sharing of functions at a regional or sub-regional level, in order to deliver efficiencies. That raises the prospect that local fire stations will face cuts that are imposed at a regional level and outside the democratic accountability of our local councillors, to pay for this flawed process.

It is not just myself and other colleagues here today that have concerns about this process. The Communities and Local Government Committee said in its 2006 report, "The Fire and Rescue Service":

"We are unconvinced that the Government can offer the assurance of maintained or improved service quality resulting from the Fire Control project...and there is clearly widespread doubt across the FRS"

that is, across the fire and rescue services. That is very worrying. The hon. Member for Gloucester drew attention to the importance of saving lives. However, if there is no benefit of improved service quality from these changes, it is even worse if the Government cannot offer the assurance of maintained service quality. If current service quality deteriorates, that would put lives at risk. The Communities and Local Government Committee also said in the same report:

"There is no evidence to suggest any overall saving. As a result we, like many within the FRS, do have not full confidence in the Government's claim that Fire Control will achieve enhanced efficiency."

As I say, that report is very worrying. The Communities and Local Government Committee obviously undertook a thorough investigation into this process and its report should cause us to pause and think again.

My final point is to examine what an alternative system might look like. Coming from Gloucestershire myself, I think that we should look at the option of having more tri-service centres to improve resilience; I am surprised that the hon. Member for Gloucester, who is a former Minister in the Department for Communities and Local Government, did not pay more attention to this option. As I have already mentioned, in Gloucestershire we have a tri-service centre that links all the emergency services and it played a crucial role in co-ordinating the response to last year's floods. Such service centres could do a lot more to enhance local resilience than distant regional fire control centres.

The Government's business case has never properly examined the merits of such joint working between emergency services. Indeed, the Government's full business case simply says that

"tri-service controls may remain an option for the long term".

However it seems to me that in those parts of the country that already have a tri-service centre, such as Gloucestershire—

Mr. Gray: And Wiltshire.

Mr. Harper: My hon. Friend points out that Wiltshire has such a centre too. As I was saying, in those areas that already have such a centre, which would have been built at a significant cost, to get rid of those structures in order to set up something that is untried and untested, while only considering tri-service centres at a later date, seems to be very short-sighted.

The report from the Communities and Local Government Committee said:

"Greater collaboration between emergency services is crucial to enhancing civil resilience. The failure of Government to include an element of collaboration, or at least co-location, in its model of Regional Control Centres represents a missed opportunity for civil resilience."

The Committee went on to say:

"We consider that achieving a common location for command controls for the three emergency services would facilitate greater collaboration in responding to incidents."

I do not favour greater collaboration at regional level, but at local level it would be sensible, and that applies not just to emergency services but to many other services too. Last year, when I visited gold command at Quedgeley, to look at what had happened in Gloucestershire with the flooding, it was very noticeable that not only were the three traditional services co-located at Quedgeley but there were also other services: Her Majesty's armed forces; representatives from the health service, including from the primary care trust; Gloucestershire county council; social services, and highways. All those services were co-located in one location and all of them were working together as a team, delivering the emergency support that was necessary during last year's floods. It seems to me that looking at Quedgeley and learning the lessons from it would be much more sensible than carrying out this piece of vandalism to our emergency services.

In conclusion, it seems that the Government have undertaken a flawed analysis of the problem; they have come up with the wrong solution; the solution has been poorly managed, is significantly over budget and out of control, and they have ignored a potentially better solution, which is to examine collaboration and co-location of services, as we have in Gloucestershire. When the

Minister responds to the debate, I hope that, as well as dealing with the specific points that I have made, he will be able to tell us that the Government will look at the example of the tri-service centres in Gloucestershire and elsewhere to see how collaboration and co-location has worked locally and to determine if those lessons can be learned now, before it is too late and all the expertise that has been built up in this field is just thrown away.

Several hon. Members *rose—*

Mr. Joe Benton (in the Chair): Order. Before I call the next speaker, I would like to point out to hon. Members that this debate only lasts for an hour and a half. A lot of hon. Members have indicated that they wish to speak. Obviously, I will do my best to get everybody in and to let them speak. However as I have said, the debate is only one and a half hours long, so I appeal to hon. Members to try to keep their remarks as brief as possible.

11.25 am

Roger Berry (Kingswood) (Lab): Thank you, Mr. Benton, for the opportunity to speak in this debate. I congratulate the hon. Member for Forest of Dean (Mr. Harper) on securing the debate. It is a pleasure, too, to congratulate my hon. Friend the Member for Tooting (Mr. Khan) on his new post as Under-Secretary of State for Communities and Local Government.

I want to start by applauding, as I am sure we all would, the work of the fire and rescue services in our region, the south-west. Naturally, I know the Avon fire and rescue service better than others and I would like to pay a particular tribute to the work of its firefighters, other staff, the relevant trade unions, the members of the fire authority and the chief officers, who provide an excellent service to my constituents and to others in Avon. In the few minutes that I have, I would like to focus on a specific issue in relation to the funding of the Avon service, although I am sure that my comments will be relevant to other authorities in our region.

Before I do so, I would just like to make one point. My comments will be critical of Government in relation to the funding of my fire authority in recent times. However, it ill-behoves those who argue that we have had too much taxation and public sector borrowing in the last 11 years to turn around and pretend that they would have not cut public spending significantly. They cannot have it every which way. I congratulate the Government on what they have done in the past 11 years in their overall approach to funding public services, including fire and rescue. They have provided infinitely greater resources—let us not exaggerate: I will say "far greater resources"—than would be the case if the Conservatives were in office and, indeed, than the Conservatives provided when they were in office. I hope that that contextual comment will be taken on board by the Minister as I move into more critical mode.

I would just like to say that Avon fire authority was shocked, at every level, and I think it would be fair to say that the other nine members of the "at-floor authorities"—those authorities that had very low increases in Government grant for the current year and very low proposed increases in grant for next year—were shocked when those increases were announced. Dorset is the other at-floor authority in our region, so there are real issues for Dorset, too.

In the case of Avon, there was an increase in Government grant of a mere 1 per cent. for the current year, with proposed increases of a mere 0.5 per cent. for next year and the year after. All of us were amazed that that increase could be considered by the Government as a serious proposition. In cash terms, those increases are clearly below inflation and below the level of pay awards. Indeed, to be specific, at the time that the grant was announced, consumer prices index inflation was running at 2.1 per cent. and retail prices index inflation, on which pay deals are based, was running at 4.2 per cent. Given the events of more recent times, an inflation figure of 5 per cent. is probably a more reasonable figure with which to compare the cash increases.

As my hon. Friend the Minister will know, last week, a number of hon. Members from the 10 at-floor authorities met the chairs of their fire authorities and chief officers, and they will seek to make a case to the Department for Communities and Local Government for fairer funding for these particularly badly hit fire authorities. Briefly, what is the impact of the financial situation on Avon fire authority? As a single service authority, we do not have anywhere to go. We all know that there are local authorities that have more direct responsibility for the fire service, but we are a single service authority; we have little alternative but to reduce variable expenditure and that basically means expenditure on staff. I cannot see any alternative for the Avon service but to impose a freeze on recruitment, which is not good news for our service. I hope, therefore, that the Government will reconsider the level and distribution of funding and, at the very least, reinstate last year's funding floor of 2.7 per cent.

Stephen Williams (Bristol, West) (LD): The increase that the Avon fire and rescue service will receive over the next two years is just one fifth of the increase that it received last year. The hon. Gentleman has mentioned the effect that that might have on pay and recruitment, but what about the number of fire engines in the authority? There are already concerns in Bristol that following the large growth in housing in the city centre, there are not enough pumps to ensure that everyone is safe. There might be also a detrimental effect on the future procurement of equipment.

Roger Berry: There is little doubt that the financial situation is seriously challenging.

I want to focus on three issues. First, as the Department has been made aware by Avon fire authority, there is a problem with transitional grant recovery. The authority's treasurer has made representations to the Department arguing that it has treated the adjustment for the transitional grant incorrectly. Every floor authority can prove that it has repaid the grant, but the money has not been put back into the base budget. In the case of Avon, that means that this year's apparent grant floor of 1 per cent. has become a reduction, in cash terms, of £360,000 on last year's grant. If that is not corrected for this year and for the future, we will be repaying that money for ever. That is not only unfair, but it is the most expensive loan imaginable. This issue has to be addressed. I have looked at the papers that the treasurer submitted to the Department, and although I am not an accountant, I am entirely persuaded by the argument. I strongly hope that the Minister will respond constructively to those representations.

[Roger Berry]

The second issue that I want to discuss is equality and diversity policy, which has attracted some attention in the media in our area. Chief fire officers and fire authorities are rightly being asked to recruit more female staff and more staff from minority ethnic communities, for the simple reason that we must have public services that reflect the communities they serve. That is the right thing to do. In Avon, officers, members and trade unions are enthusiastic about committing to those higher targets, because they fully understand the value that diversity adds to the service. The problem is that a grant settlement of the kind that we are discussing will inevitably mean a freeze on recruitment, so how on earth is Avon to meet its equality and diversity targets?

Avon fire authority has been subject to some pretty vicious and inaccurate comments in the media. The hon. Member for Bristol, West (Stephen Williams) will be aware of the newspaper articles to which I am referring. To their credit, the chief fire officer, authority members, trade unions and staff have made serious attempts to ensure that the make-up of the authority's firefighters and staff reflects the diversity of the community they serve. I strongly support them, but they will have a very difficult job in future. They have made progress in the past five years, but I fear that that progress will now come to a stop, and that is unacceptable.

My final point is about the local integrated risk management plans that all fire authorities have been required to produce since the Fire and Rescue Services Act 2004. The plans are based on local risk, and are supposed to determine the way in which services are provided, which they usually do. However, I cannot see any link between the plans and the methodology behind the allocation of funding to fire authorities. If that is correct, we are in a bizarre situation in which the plans are the driver for the services to be provided, but not the driver for allocating the money to enable those services to be supplied to local communities. To put it mildly, we need more transparency in relation to funding, so that we can understand and address these problems.

I am conscious that other colleagues wish to speak, so I shall conclude. Along with other floor authorities, Avon has been put into an unacceptable position through no fault of its own. The Government need to reconsider the level and distribution of funding and, at the very least, to reinstate last year's funding floor of 2.7 per cent. Adjustments to the floors and the transitional grant position need to be made as a matter of urgency, and I urge the Minister to consider doing so.

11.35 am

Annette Brooke (Mid-Dorset and North Poole) (LD): I congratulate the hon. Member for Forest of Dean (Mr. Harper) on securing this important and timely debate. The Minister recently visited the new fire station at Marshes End in my constituency, and I suspect that he might already have heard some of the points that I shall make today, but they are so important that they are worth reiterating.

First, I have a few comments to make on the FIReControl project, which is expected to offer enhanced physical and operational resilience, but the costs and savings are highly questionable, as we have heard. We have also heard that the timing of delivery is problematic. Dorset disputes several of the current assumptions, and predicts that there will be a net cost to the authority from moving to the regional control centre. Even if the Department for Communities and Local Government could meet in full the deficit between steady-state RCC costs and current costs on a regional basis, the vagaries of the regional cost apportionment model, based on the council tax base, have led Dorset to believe that it would still face additional costs of £125,000 a year.

The Dorset authority is concerned about cost apportionment across the south-west, and does not see how it can possibly end up not being a net loser unless protection is built in, or unless more attention is paid to each authority. Its members are concerned that the costs for out-of-scope activities and data management have been underestimated. The capping of regional resilience payments to three years is absolutely unacceptable.

Mr. Oliver Letwin (West Dorset) (Con): Does the hon. Lady agree that it is extremely difficult to find anyone in Dorset who thinks that, on the other side of the balance sheet, there is any advantage to the measure?

Annette Brooke: I have detected a distinct lack of enthusiasm from everyone with whom I have discussed the project.

Three-year funding is another problem that is simply being deferred to the future. What will happen when the three-year funding ends? We will have yet more cuts. There is significant disappointment about the business case, and we now have the impact of the delays to consider. I hear that the project has to be "reprofiled"—I think that that means delayed—because the deliverables are not going to be delivered on time. It is no surprise that that has to do with an IT contract; that is nothing new. My big concern is the impact that all the problems with the regional control centre will have on poorly funded authorities. In a sense, the delay is delaying the extra cost, but there is serious concern about work force morale.

Returning to cost, Dorset is one of the 10 authorities that the hon. Member for Kingswood (Roger Berry) has mentioned will have particularly low funding for the next few years. I agree that it is vital that the 2.7 per cent. funding floor is reinstated, so that front-line fire services are kept at a level that is safe for both the public and fire fighters. Dorset originally assumed, for planning purposes, that there would be 2 per cent. growth, but it then faced severe shortfalls on its original budgeting. I have been anxious throughout about the implications for safety. That issue has been discussed in detail with civil servants and, indeed, with Sir Ken Knight. Some 80 per cent. of the service's budget goes on salaries, so there is little room for manoeuvre. Dorset has only six whole-time stations, and opportunities for shift arrangement and redeployment are limited. It really is difficult to find savings. Sadly, there have been 10 fire-related deaths in 10 separate incidents since December 2007; six of those people were over 70. Studies have identified lone pensioners as being the most at risk in our community, and that is true in other parts of the south-west. It is sad that that risk has been confirmed by the recent spate of fatalities. Dorset has the highest proportion in the country of people over retirement age, with an average of 27 per cent. and an incredibly high proportion in certain pockets.

That compares with 18.7 per cent. nationally. The proportion of elderly people is likely to increase in future, so there is a real need to address the formula. We need the floor reinstated now, and within the next few years the formula must be reformed. The proportion of elderly people is one of the many factors that need to be taken into account.

The chief fire officer of Dorset tells me that as a consequence of the firefighters' pay and conditions agreement, fire authorities were loaned a sum of money over a two-year period to ensure that pay increases could be made prior to efficiencies being found. For Dorset, that represented a sum of £350,000, to be paid back in two consecutive years, 2006-07 and 2007-08. The chief fire officer asked Dorset MPs to press the Government on why there is still to be a deduction of approximately £175,000 a year in the base budget. I think that we would all agree that that works out as a massive rate of interest.

Dorset's fire and rescue service is acknowledged as a good performer, with comparatively low budgets and cost per head of population. It achieves a good overall performance, and in the national comprehensive performance assessment of 2007 it was stated as having the highest performance nationally. Locally, we are proud of our fire and rescue service, but we are deeply concerned about the pressures and worries that are put on it.

11.41 am

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to follow the hon. Member for Mid-Dorset and North Poole (Annette Brooke), who will not be surprised to learn that I will cover some of the same issues.

I congratulate my hon. Friend the Member for Forest of Dean (Mr. Harper) on securing the debate and on addressing the important issue of flooding as well as tri-service co-operation, which needs to be improved. I welcome the Minister to his new responsibilities. I am a little surprised to see the previous Minister, the hon. Member for Gloucester (Mr. Dhanda), in his place, considering the efforts that many of us from the south-west made to secure a better deal. There is no flooring, and there is no security to ensure that fire services receive an inflationary increase at minimum. As we have just heard, Dorset has received one of the worst increases in the country. It will be just 1 per cent. next year, 0.5 per cent. the year after and 1 per cent. the year after that. How can we possibly survive on such a budget set by the Government?

Mr. Dhanda *rose—*

Mr. Ellwood: I shall not give way to the hon. Gentleman. He has taken up far too much time on the matter already. He had plenty of opportunity when he was responding to debates to answer questions about why lives were being put at risk in the county of Dorset by the ridiculous numbers that we face.

Like other hon. Members, I pay tribute to the fire service across the country, and particularly in Dorset. I spoke this morning to Darren Gunter, the chief fire officer, to confirm the concerns that still exist. Fire services are expected to be of the highest standard. If bins are not collected on time, it matters, but it will not cause any deaths. If potholes are not repaired, it is an annoyance, but it is not vital to life. When it comes to the fire services, however, we expect the highest standards. Unfortunately, if we are not willing to pay for those services, lives will be put at risk. I am sorry that party politics has come into this, but we in Dorset cannot help but look over our shoulder and see what is happening in other parts of the country. Nottingham, for example, will receive a 17 per cent. increase.

The hon. Member for Kingswood (Roger Berry) expressed concerns about the total amount of money that is in the pot. I do not dispute his case, but I am asking not for more money but for even sharing of Government funding. That has not been forthcoming, which is why Dorset is suffering. There is to be a national increase of 7.5 per cent. over three years, but in Dorset, as I have just explained, it will be only 2.5 per cent. We cannot exist on that without the standard of service being affected.

As we have just heard, Dorset is constantly ranked in the top five authorities in the country, but it has the lowest cost per head of population and is already one of the worst funded in the country. Why are we being picked on in this way? I simply do not understand. I believe that Dorset is a special case and deserves extra funding, or at least an inflationary increase.

Mr. Dhanda: Will the hon. Gentleman give way?

Mr. Ellwood: I am not going to give way to the hon. Gentleman, as I have made very clear. I shall say it to him directly—no, I will not give way. You can speak yourself in a few minutes.

There are vulnerable groups in Dorset. We have an above-average number of elderly people, as we heard from the hon. Member for Mid-Dorset and North Poole. They often live on their own and need extra care. Sadly, 11 people, mostly elderly, have died in the past nine months in fire-related incidents, and I am afraid that that is because of the limitations that have been placed on the fire service.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Sadiq Khan): May we be clear? Is the hon. Gentleman saying that there is a direct link between any of those deaths and decisions taken by the Government?

Mr. Ellwood: I am saying that there must be a direct correlation. I would be grateful if I could meet the Minister, perhaps with Darren Gunter, the chief fire officer, so that we can look into the matter in more detail.

Mr. Khan: I am really surprised by what the hon. Gentleman has just said. I raised the matter with Darren Gunter when I went to Dorset last week, and he confirmed that there was no link between funding or the settlement and any of those deaths. The hon. Gentleman should be careful about what he says, because the implications are serious.

Mr. Ellwood: Of course these are serious matters, and I do not believe that they can be answered in full in this debate. I would be grateful if I could meet the Minister

[Mr. Ellwood]

to consider the issues affecting Dorset. The service has had to make cuts in the Weymouth area and across the board, affecting its ability to meet needs. I wish to make it clear to the Minister that we cannot manage in the current situation. I hope that my hon. Friend the Member for Bournemouth, West (Sir John Butterfill), will have an opportunity to speak about the implications of the cuts. People living alone are affected, and there are many of them in Dorset. That is why I plead with the Minister to reconsider the settlement that we have received. Creating a regional centre in Taunton will not save any money, but it will increase costs, which will not benefit our area at all.

An argument that I had with the previous Minister concerned the additional burden placed on Dorset, because of the Olympics in 2012, to provide safety at sea. Yet Dorset fire and rescue service does not even own a boat. Only after we raised the matter with the then Minister was some funding finally forthcoming, but even that only takes us up to 2009, not even clearing the Olympics year, so we may not have the funding when the big event comes in 2012.

The consequences are simple: cut the budget and lives will be threatened and possibly lost. I urge the Minister to think again and examine what is actually happening in Dorset. A 2.5 per cent. increase is an insult, and we look over our shoulder to other parts of the country that are getting 10 per cent., 12 per cent. or 17 per cent. increases in their settlement. It just does not seem right, so please will the Minister introduce some fairness before more lives are put in danger?

11.48 am

Mr. David Drew (Stroud) (Lab/Co-op): I shall be quick, because I know that other Members wish to speak.

First, I disclose an interest: my son-in-law is a retained firefighter trying to enter the full-time service, and I am a member of the Fire Brigades Union parliamentary group and receive some support from the FBU. However, I speak on my own part and from my own experiences.

Memories are somewhat short, because I remember on more than one occasion under the previous Government having to fight to save various pumps, appliances and even fire stations. I shall be fair to the Government, who have put some serious resources into Gloucestershire. Our two main fire stations are being rebuilt, and a boat has recently been provided. I wish the hon. Member for Bournemouth, East (Mr. Ellwood) well in that regard in Dorset, and I hope that other improvements will follow.

One of the issues of most concern to FBU members is the commutation scheme. I shall say no more, because the Minister knows what I am talking about and now might not be the time for that debate. It is fair to say that people are rather upset by what has happened to their pension scheme. I also wish to pay due regard to the work of firefighters, about which we know only too well in Gloucestershire due to the 2007 floods and their repercussions. I would commend to anyone who has not read it the FBU's report on the 2007 floods, which affected Humberside and Sheffield as well. It shows why we need firefighters, and points to their bravery and commitment. Of course, we have lost some of them—not many, thankfully, but some—in the past few years.

Mr. Letwin: Is the hon. Gentleman aware that recent correspondence with the Department has revealed that personnel who transfer to the regional fire centre will not actually be part of the fire service at all?

Mr. Drew: I am aware of that, which is one reason why the FBU has serious misgivings about the move. However, I shall not pursue that because of the shortage of time.

As someone who has been a consistent critic of regionalisation, I think that I can speak with some authority on the issue. I do not know whether any Opposition Member would like to confirm this, but I was concerned that in the last meeting the cabinet member for Gloucestershire either signed off the agreement on the regional centre or was about to sign it off. I gather that the Liberal Democrats also are protesting but still signing it off. I would like to think that that is not happening, but perhaps it is.

I am a critic not only of regionalisation but of the FIReControl project. It has merits, and I have always argued that we need regional back-up. Anyone who was around during the floods will know that what happened was of such a scale that no control centre would have been able to cope, and we have a very good tri-service centre. One of the things that the Minister might like to dwell on is why Mott MacDonald, the wonderful consultants who have underlined all the things that have happened, has never published its investigation into the tri-service arrangements. It has published many other reports, which have cost millions of pounds. I do not know whether those reports have saved any lives, but they have certainly cost millions. I would like to know what Mott MacDonald says about the tri-service arrangements in Gloucestershire.

I hope that the Government will have another look at their proposals. I do not have any problem with regional back-up—we need it. The scale of possible disasters—whether floods or, dare I say it, a big security issue—means that we need the best available provision for our fire and rescue service. I still believe that that should be provided locally, and that we should listen to the people who work in the service and, indeed, the chief fire officer in Gloucestershire, who has been put in a difficult position.

However, we have to go from where we are, and that is the regional centre in Taunton. It is not working yet, but it has cost rather a lot of money. I worry about who, if anyone, will relocate, but, more than anything, I think that that centre should be the back-up to front-line local services, which have worked very well. I hope that that the Government will consider that, despite the money that has been spent and, obviously, despite some loss of face. We can always learn from our experiences.

It is not helpful if people say one thing in public and do other things in private. The person who has been most trenchant, as my hon. Friend the Member for Kingswood (Roger Berry) knows, is Terry Walker, one of his predecessors on Avon county council, who spent his life—and I mean his life—as the chairman of the Avon fire authority. He still has strong opinions not only on whether the centre is the right thing but on whether it will work. I hope that the Minister will listen

to such comments. Other people will have views that are slightly different from mine, but it is important that we hear from those who work in the service as well as those who represent or manage it.

Mr. Joe Benton (in the Chair): Order. Before I call the next speaker, there is provision for me to request that the Opposition spokespeople confine their winding-up speeches to five minutes, and the Minister to 10 minutes. Because this is such a localised debate, I want to let as many Members speak as possible. If the Opposition spokespeople are agreeable to that, I will proceed in that manner.

11.54 am

Sir John Butterfill (Bournemouth, West) (Con): I begin by endorsing everything that the hon. Member for Mid-Dorset and North Poole (Annette Brooke) and my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) have said.

Dorset is in a uniquely disadvantaged position. Based on the cost per head of population, it has one of the most efficient services in the country. Cost per head in Dorset is the lowest, at £31 per head, compared with Cleveland, at £63 per head. Such a disparity is extremely difficult to explain, particularly as Dorset has a high proportion of elderly people, as has been said. I believe that my constituency may have the highest proportion of retired people in the country, at about 30 per cent. of the population, yet the grant per head of population for Dorset is the third lowest. It is £16 per head, compared with Cleveland, which is £40 per head. Again, it is hard to explain such a disparity.

Even Avon county council, which was mentioned by the hon. Member for Kingswood (Roger Berry), gets nearly £25 per head, compared with Dorset's £16, so something is going badly wrong somewhere. The county is being discriminated against in a way that I find difficult to understand.

Roger Berry: Will the hon. Gentleman acknowledge that risk assessments may suggest that there are greater needs for services in some parts of the country than in others? With respect, one cannot simply use crude figures and draw conclusions from them as easily as he is trying to do.

Sir John Butterfill: The figures are extremely crude, but it is evident that we are getting less than one half what many other authorities get, yet we have a high-risk profile. That is inexplicable.

[JANET ANDERSON *in the Chair*]

Similarly, our settlement, which is exactly the same as that described by the hon. Member for Kingswood, is 1 per cent. for next year, 0.5 per cent. after that and then 1 per cent. after that. It is extremely low, and I sympathise with his council having to manage with it, because Dorset has to do the same. Without the floor, our grant would have been cut by 1.8 per cent.—nearly 2 per cent. Again, that is rather difficult to justify.

The consequences for Dorset are dire indeed. I have been told by Darren Gunter that it is necessary to abolish whole-time crewing and go back to day-time crewing only. Since many fires occur at night, particularly those involving the elderly, that is a worrying situation. The service has to combine whole-time stations, so the time that it will take to get to fire incidents will be longer, and it has to close retained stations. Again, cover is being reduced.

There are also impacts on community safety activity. I have been told by our chief fire officer that the service will have to reduce safety events in schools, and funding for Streetwise, which is dear to my heart. I am a trustee of Streetwise. It is a safety centre that has been built and financed by Dorset county council, Bournemouth borough council and Poole borough council. It provides training for schoolchildren, who come at two stages during their school career to see where the dangers lie in an urban situation. It has been extremely effective and is now being rolled out around the country. It is supported by the Government, thankfully, but not through this funding. If funding disappears from the fire and rescue service, there will be severe complications for Streetwise. Streetwise also has groups of elderly people come around the centre to learn about risks in the home in an effort to prevent terrible fires.

Frankly all of this is inexplicable. Other support services that will be affected are training and development, including fire safety courses, welfare provision, recruitment, fleet and equipment maintenance—we will not have such well-maintained equipment—and property maintenance. Dorset is now being cut to the bone, and there will be a real impact on the ability to save lives.

11.59 am

Mr. Parmjit Dhanda (Gloucester) (Lab): I warmly welcome the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Tooting (Mr. Khan), to his place as the fire Minister. Whatever else he does in government, being the Minister with responsibility for the fire and rescue service is a true honour and something that he will enjoy, regardless of the fact that it can sometimes feel like a bed of nails. He will find that firefighters are unique people of whom we should all be proud, wherever we live in the country.

The number of fire deaths is actually down to its lowest level since 1958, and the recent advances are the result of some of the investment in the past 11 years. We have seen a complete restructuring of the way in which the fire service does its work. The advent of the regulatory reform order and the local risk management plans has made a real difference and has allowed the fire service to look outward to local communities.

We see far more of the kind of important work done by Streetwise, for example, which the hon. Member for Bournemouth, West (Sir John Butterfill) has mentioned. I join the hon. Gentleman in saying that people such as Darren Gunter do a terrific job. When I tried to intervene on the hon. Member for Bournemouth, East (Mr. Ellwood), I was going to make that point and mention something that has not been mentioned by Dorset colleagues. Although I appreciate that the settlement was tight this year, when Dorset Members came to see me, I mentioned that the extra money—the £250,000 for the Olympics—would make a real difference. Darren has made that point clearly as well. I understand that that money has arrived, which is important.

We have never seen the like of the investment over the past decade. We live in a new world now. The £200 million of new dimension investment—the high volume pumps,

[Mr. Parmjit Dhanda]

the urban search and rescue equipment and the decontamination units—are there to cope with the new threats, whether in the south-west of England or anywhere else. Yes, we are having an in-depth debate about fire control, but that is part of the new and emerging—

Mr. Gray: I want to point out that I was a bit misleading a little earlier on. Councillor Jerry Willmott, as the hon. Gentleman correctly said, is in favour of the plan, but that is because he is chairman of the new company. But I apologise.

Mr. Dhanda: The hon. Gentleman is right, and I am glad that he has made that point. Jerry Willmott supports FIReControl, not because he is chair of the company, but because he is a man of real integrity who understands the fire service and the risks better than most people in this Chamber, including, I am afraid to say, the hon. Members for North Wiltshire (Mr. Gray) and for Forest of Dean (Mr. Harper). It is interesting to note that when the Front-Bench spokesmen had the opportunity to debate this matter in July in Committee—we did so in some depth—neither the Tories nor the Liberals voted against this measure. At that point, we had the opportunity to flesh out the arguments.

Before speaking about fire control, I wish to add to a point made by my hon. Friend the Member for Kingswood (Roger Berry) about the importance of having a diverse fire and rescue service. I went out of my way in my time as fire Minister to congratulate Avon on the work that it has done in this regard. I am sure that, because this subject is a passion of my hon. Friend the Minister, he will continue this work on diversity in the fire and rescue service.

We are working with the unions and other stakeholders to push the barriers and to call for representation to increase from 2 per cent. to 5 per cent. of the local minority population to be recruited into the fire service with an incentive grant, and we are also calling for women to be brought into the fire service at operational levels so that they comprise 18 per cent. at that level. That can only be good for the fire service and, ultimately, good for our local communities.

There are hon. Members in this Chamber who will never agree with me about FIReControl. Some will not agree for the right reasons and some, I fear, will disagree for the wrong reasons, knowing that this is an easy cheap shot in terms of frightening the electorate and winning good headlines with newspaper editors. It is not the newspaper editors' job to understand the detail; it is their job to make good headlines. I accept that this makes good copy, but there are far more important issues here.

I went to Sweden to see the changes made there, which involved reducing the number of control rooms from 120 to around 20. That rationalisation was introduced not only to make savings but because a single network to improve resilience was wanted. We have 46 control rooms, many on different networks. That is why, when the hon. Member for Bournemouth, East talks about resilience and the tri-service centre, he needs to understand that the tri-service provision is incredibly good and would remain as our gold command. However, resilience is about networks and systems. That is why we had more than 1,000 calls when the flooding was serious. I know about that. I did not just pop into gold command and say hello; I was there. I had a seat at the table, and I was in there every day. I know that people's lives can be put at risk if they cannot get through and speak to an operator when they dial 999. Having a single resilient system where all parts back each other up will make a huge difference.

I ask hon. Members to put politics aside for a moment and think about themselves and their families. If their child or partner were caught in a burning wreck on the M5, what would be the key thing? They would want a fire service that mobilises the engine nearest the scene. When that engine arrived on the scene, they would want systems in the cab—the technology—to say where to cut into a particular type of vehicle to avoid air bags, rescue a person and get them out in one piece.

I urge hon. Members—

Mr. Harper: Will the hon. Gentleman give way?

Mr. Dhanda: No, because I want to complete my point. The hon. Gentleman should get out with the fire and rescue service in Gloucestershire, as I have done, and get it to take him into a mock burning building, then he would learn a little bit more about the role of a firefighter. When doing that, crawling around in the dark in a smoke-filled room, totally and utterly reliant on colleagues—*[Interruption.]* He says that he knows that. I urge him to try it, actually, because the kinds of stresses involved—

Mr. Harper *rose—*

Mr. Dhanda: No, I will not give way because I want to finish this point. On getting out of that room and talking to the point man or woman on the floor, they will map out and draw the burning building wreck that the firefighter has been in. Fire control will provide those people with the floor plans of the buildings, so that the shape and structure of a building, the location of the nearest hydrants and information about chemical risk can be known.

Mr. Ellwood: We know that already.

Mr. Dhanda: No, we do not know that already. There are many other things that we do not know already.

Mr. Harper *rose—*

Mr. Dhanda: I have already said that I will not give way to the hon. Gentleman. *[Interruption.]* If he wants to learn about the fire and rescue service in Gloucestershire, he should read some of the stuff that is sent to him and listen a little more closely to chief fire officers, because the Chief Fire Officers Association is backing the plan, as is the Retained Firefighters Union.

Mr. Ellwood: Will the hon. Gentleman give way now?

Mr. Gray: Give way!

Janet Anderson (in the Chair): Order.

Mr. Dhanda: We always discuss every criticism by the FBU of the FIReControl plans. From my experience going round the country, however, the majority of FBU members to whom I have spoken support the changes, because when they go into dangerous circumstances, they want more knowledge about the situation. They want mobile data systems that—lo and behold!—they do not have in my patch at the moment. However, they will have those systems under FIReControl.

Janet Anderson (in the Chair): Order. I remind hon. Members that we want to get one more speaker in before we start the winding-up speeches, so I would be grateful if the hon. Gentleman were to bring his remarks to a close.

Mr. Dhanda: I will do so.

We do not have status managing, automatic vehicle location systems and satellite navigation in our local fire and rescue service. Our constituents believe that we have them, but we do not, and we will only have them if we are brave enough to make these changes. Our challenge is to join people such as Councillor Jerry Willmott, Pete Roffey and, yes, the Conservatives and Liberals in Gloucestershire who say one thing but do another—I have seen them doing it—and who privately support the plans for FIReControl.

12.7 pm

Mr. Oliver Letwin (West Dorset) (Con): I, too, am grateful to my hon. Friend the Member for Forest of Dean (Mr. Harper) for calling for this debate.

I had not intended to speak—I intended only to make some interventions—but the speech by the former Minister, the hon. Member for Gloucester (Mr. Dhanda), compels me to say a few words. Of course, I echo the comments of Dorset colleagues from all parties about the terrible effects of our settlement, which we tried, but failed, to bring home to the former Minister when he was in place, and which will result in threats to safety that the current Minister will have to take seriously.

It is clear that, as an emergency measure, the floor needs to be raised. However, I want to say just a few words about the regional control centre, because the former Minister has now illustrated the source of the problem with which we are dealing. He clearly exists in an alternative universe—

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): A parallel universe!

Mr. Letwin: Yes, the hon. Member for Gloucester exists in a universe where it is necessary, in order to mobilise the vast resources of networks, to co-locate vast numbers of people in particular centres. We are no longer in that universe; we are in a different universe in which it is perfectly possible to achieve all the technological shifts that he was describing at a local level. That is precisely the character of an open network age. The complete failure to recognise that has helped to generate the mayhem caused by an ineffectual and ill-designed computer programme and an ineffectual and ill-designed regional control centre. I accept and agree with the point about regional back-up that the hon. Gentleman made, but that does not imply a need for regional control centres, still less the need to denude Dorset of extra funds when it is already so hard-pressed.

Mr. Dhanda: It is interesting that the Conservatives are indicating that they want to provide all the fire control and fire link technologies to all the local control rooms. It is fair to say that that is what the right hon. Gentleman implied. He must realise, when he makes such implications and suggestions, he is also suggesting that an additional £2 billion would have to be found if his party came to office.

Mr. Letwin: That is total junk. The Minister is—[*Interruption.*] The ex-Minister is, as usual and as was the case with the NHS computer, the identity card system and many other computers, living in an age in which mainframe was the right approach. That is not necessary now, because it is perfectly possible to operate on a network basis, but I regret to say that his ex-Department and many others have not yet recognised that. We must go back to the drawing board and recognise that we are in a Google and network age and that we do not need the sort of physical infrastructure that he so wrongly and unfortunately imagines is necessary and which is leading to real problems on the ground.

12.10 pm

Dan Rogerson (North Cornwall) (LD): It is a pleasure to serve under your chairmanship, Mrs. Anderson. In the few minutes available to me, I shall try to develop some of the points that have been made, and which I was hoping to make.

First, I congratulate the hon. Member for Forest of Dean (Mr. Harper) on securing this debate. It is evident from the number of hon. Members from the south-west, including Labour Members, that there are strong feelings on many of the issues, including regional control centres, which is the topic of most discussion, and, crucially, funding. He was absolutely right to raise inconsistencies between what was promised for regionalisation and what will be delivered in savings and improvements to service. If neither of those boxes are ticked, we must call the policy into question, as my party and his have done ever since it was first posited.

The hon. Member for Kingswood (Roger Berry) rightly referred to diversity and important work on that issue, as well as to the funding problems that affect his authority, as did my hon. Friends the Members for Bristol, West (Stephen Williams) and for Mid-Dorset and North Poole (Annette Brooke). My hon. Friend the Member for Mid-Dorset and North Poole also raised some important demographic issues, which are particularly acute in her county and throughout the whole south-west, where there is a huge amount of inward migration . Demographic changes towards the older end of the age spectrum will present challenges.

I want to focus on the fantastic job that the fire service does. Information from people on the ground, whether through the Fire Brigades Union or people in fire authorities who are concerned about the programmes towards which the Government are pushing them, suggests that they are achieving fantastic results with the available resources and focusing very much on preventive work. At a recent open day at the fire station in Bodmin, I heard more about the fire service's work with young people to encourage them to play a more active role in ensuring that communities are safe, as well as their work with smoke detectors, local businesses and the Flashpoint Lifeskills Centre, which is similar to the

[Dan Rogerson]

street light facility in the constituency of the hon. Member for Bristol, West—*[Interruption.]* I am sorry, the hon. Member for Bournemouth, West (Sir John Butterfill).

Mr. Ellwood: Bristol, West is a Liberal Democrat constituency.

Dan Rogerson: Absolutely. I have in fact referred to my hon. Friend the Member for Bristol, West, and I am sure that he will continue to be the MP there.

Full-time and retained fire services offer a valuable whole service in many of the rural communities that we serve, and it is important to recognise the challenges facing the retained service. Local authorities that have retained services are considering ways of improving their responsiveness and ensuring that they are efficient, as well as providing the technology to people who do a wonderful job in addition to what they do in their ordinary lives to ensure that their communities are safe. There are sometimes challenges in recruitment and affordability in rural communities, and we need a bigger steer from the Government on how areas such as the south-west, which have many rural communities, can be supported.

My party is not convinced, and never has been, that regionalisation will be effective or deliver the savings that have been promised. The former Minister, the hon. Member for Gloucester (Mr. Dhanda), both in robust interventions and his own contribution, was keen to point out his belief that that is the only way of delivering new technology. However, if it is clear that regionalisation will not deliver savings, that calls into question the whole promise of delivering the new technologies. In fact, the Government should consider other ways of delivering improvements without going down the regionalisation route. I want to put on the record the fact that during a Standing Committee debate on fire and rescue services in which I participated, my party did not call for a vote on the national framework—we were debating many other issues and not just regionalisation—but I made it clear that my party remains opposed to it. I thank you, Mrs. Anderson for the opportunity to speak, and I am sure that those who are listening outside the Chamber will focus on the fact that the former Minister's position does not seem to have moved in line with business models and the evidence from people on the ground.

12.15 pm

Mr. Stewart Jackson (Peterborough) (Con): It is a pleasure to serve under your chairmanship, Mrs. Anderson. I warmly congratulate my hon. Friend the Member for Forest of Dean (Mr. Harper) on securing this vital and timely debate. I pay tribute to him and to my hon. Friends in the south-west for their campaigns over past months and years against fire control centres and the underfunding of local fire and rescue services, which will have such a big impact on their constituents.

I also welcome the new Under-Secretary of State for Communities and Local Government, the hon. Member for Tooting (Mr. Khan), to his post, which is something of a hospital pass, as the former Minister, the hon. Member for Gloucester (Mr. Dhanda) acknowledged. I had intended to discuss the wider issue of funding as well as the FIReControl project, but I must be circumspect in my comments. My colleagues are concerned about the discrepancies and massive disparities in funding in the comprehensive spending review period, such as those between Avon and Dorset, which received 2 per cent. in revenue support grant in this CSR period, and Humberside, which received 12 per cent., Derbyshire, which received 15 per cent., or Nottinghamshire, which received almost 18 per cent. Additionally, there are big variations in grant per head of population during that period. Devon, Somerset, Wiltshire and Dorset will receive less than £20 per capita compared with other local authorities, while the average is £19.64. The Government should consider factors affecting grant allocation, such as relative resources based on the tax base of population and tax base per head, which militate against authorities in the south-west.

It is as well to step back a little and consider the issues raised by the hon. Member for Kingswood (Roger Berry). It is all very well for him to say in his little homily how much was spent—*[Interruption.]*—or not under a Conservative Government, but his Government have been in office for 11 years. Terry Walker and the Avon fire authority feel that they have been unfairly treated by his Government as a result of the floors and ceilings mechanism and the transitional grant repayment in Avon.

Roger Berry: I thought that I said that.

Mr. Jackson: I am happy that the hon. Gentleman confirms that that is the case.

I do not have time to discuss the review that the Department will undertake on the formula spending share by 2010, but many authorities believe that it must be speeded up as a matter of urgency. The floors and ceilings mechanism has led to major problems in the south-west, as we have heard. In the wider context, during the CSR period, south-west fire and rescue services must deal with inaccurate data on inflation, and above-inflation pay awards. Local initiatives that need discrete funding, such as civil contingencies, community fire safety and new dimensions funding, will be a significant burden.

It is important to mention Fireguard, which is an ongoing issue for fire and rescue authorities. At its board meeting last Monday, it collapsed, so local fire and rescue authorities have no means of dealing with fire cover in the event of a pandemic, national firefighters strike and so on. They will therefore fail in their legislative duty under section 7 of the Fire and Rescue Services Act 2004 and section 2 of the Civil Contingencies Act 2002. The reality is that most fire and rescue services are faced with real-term cuts in their funding. They have been forced to view the integrated management plans as a fig leaf for real cuts in services, job losses and the removal of appliances.

Mr. Harper: The hon. Member for Gloucester (Mr. Dhanda) did not break off from his tirade long enough to take an intervention from me, so I am grateful for the opportunity to mention that I, too, have spent time with my fire and rescue service officers—the retained officers in Cinderford. I have gone into smoke-filled buildings with them and have been incredibly impressed

by their dedication. If this project is so good and compelling, why is it that the men and women whom we ask to risk their lives and go into burning buildings find it so unconvincing?

Mr. Jackson: My hon. Friend makes a sound and accurate point. I do not recognise the picture that the hon. Member for Gloucester paints of widespread support for the project—not least because it is not true. Even if people such as Councillor Willmott in Wiltshire support it, they do so only because of the threat that the Government will use reserved powers under the 2004 Act. It is hardly surprising that they support the project when they are faced with that difficulty.

My hon. Friend the Member for Forest of Dean has comprehensively demolished the case for the FIReControl project. All we heard from the hon. Member for Gloucester were platitudinous comments and vacuous sound bites that show that there is no empirical data to back up his comments about, for instance, the number of calls received during the floods.

Janet Anderson (in the Chair): Order. I ask the hon. Gentleman to draw his contribution to a close so we have time for the Minister to respond.

Mr. Jackson: The case has not been made, either in terms of cost savings or resilience. The project is not only opposed by the Fire Brigades Union, but by ordinary firefighters and councillors on local fire authorities. The Government need to look again at two pertinent issues: the funding formula and the need to scrap the FIReControl project. The project will be a disaster and will encumber local fire authorities and council tax payers in the future. The Government need to be honest about that and scrap the project.

12.21 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Sadiq Khan): It is a pleasure to respond to the many points that have been raised. The comments of hon. Members deserve respect, and I will deal with as many points as I can as swiftly as I can.

I congratulate the hon. Member for Forest of Dean (Mr. Harper) on securing the debate. Aside from his congratulations to me, I did not agree with anything else in his speech. However, it is important to thank him for initiating this debate, because it gives me the chance to put on the record something with which I am sure we all agree: through their commitment and professionalism, the fire and rescue services play a crucial role in keeping our community safe. Indeed, the timing of today's debate is a powerful reminder of the bravery and dedication that firefighters persistently demonstrate when fulfilling their duties. Today is the anniversary of the warehouse fire in Warwickshire in which four firefighters lost their lives. I beg the indulgence of hon. Members, as I shall name them: Ashley Stephens, John Averis, Darren Yates-Bradley and Ian Reid—the youngest was 20 and the oldest was 44.

It is appropriate that the hon. Gentleman secured this debate—and I am pleased he did so—which has provided an opportunity for hon. Friends and members of the Opposition to raise important points. I want to do those points justice in the short time I have. On my first outing as the Minister responsible for fire, I visited the fire station referred to by the hon. Member for Mid-Dorset and North Poole (Annette Brooke). It is an excellent station with excellent facilities and is proof, if it is needed, of our investment during the past 11 years. The station is the first building in Dorset to be completed through the private finance initiative as part of the joint police and fire service initiative.

I shall make a swift passage through some of the investment we have made, because people have short memories. For example, during recent years, we have invested more than £400 million in a PFI programme to help to deliver 21st-century stations. Fire and rescue authorities will benefit from a further £130 million in PFI credits. In fact, Dorset is receiving nearly £28 million in PFI funding to support new building projects, and other fire and rescue authorities in the south-west have benefited from PFI. Much has been made of Gloucestershire and Avon, both of which, with Somerset, were part of the collaborative PFI project to provide joint training in Avonmouth. Nearly £17 million of investment has been made through PFI. Gloucestershire has also received £40 million for new community fire stations—not for one, two or three stations, but for four of them—and a community life skills centre. I respectfully advise those who have amnesia to try to recollect what life was like before the improvements that have been made during the past 11 years.

Much was made by my hon. Friend the Member for Kingswood (Roger Berry) and others about the three-year settlement for fire and rescue services. The architect of the next Conservative manifesto, the right hon. Member for West Dorset (Mr. Letwin), is here, and I am happy to take an intervention from him if he will make spending commitments in relation to what his party will do over the next period. The Opposition are not willing to make commitments for the next few weeks and months, let alone for three years' time.

Let us be clear that under the three-year local government settlement, which was announced at the beginning of this year, single-purpose fire and rescue authorities will receive an average increase in formula grant of 2.4 per cent., 1.4 per cent. and 1.4 per cent. during the three spending review years. No fire and rescue authority will receive—*[Interruption.]* I can hear chuntering. I am not sure if Opposition Members wish to make an intervention; I am happy to take one if that is the case. No fire and rescue authority will receive an increase of less than 1 per cent., 0.5 per cent. and 0.5 per cent. It is worth emphasising that over the comprehensive spending review 2007 period, councils will receive an additional £8.91 billion. The factors and criteria by which the grant is allocated are well publicised and we know about them. We heard from the hon. Member for Bournemouth, West (Sir John Butterfill), who is involved with Streetwise, that there are benefits to having a floor, as otherwise there would be a loss, so I am glad that we have heard an endorsement of the need to have floor.

The intention of our financial policy in relation to local government has always been to provide fairness and stability. Our goal is to ensure that the three-year settlement is a three-year settlement; not a settlement that changes each year because we are lobbied to change the data or methodology that is used. The Government and I believe that it is important to provide stability for local government, so that it can have more time for

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planning its income and expenditure. That creates a greater degree of certainty and that is our goal.

Mr. Stewart Jackson: If the Minister is so concerned about transparency and clear planning, why has he disaggregated the national business case to regional FIReControl boards and delayed the publication of that case? As a result, local fire authorities are not in a position to make proper planning past the comprehensive spending review period post-2011, which will put them in a difficult financial position.

Mr. Khan: If this were not a serious debate, that would be a laughable point. The hon. Member for Bournemouth, East (Mr. Ellwood) made a point about the commitment to £300,000 for fire service facilities in relation to the Olympics. The idea that we can predict what will happen in four years' time is absurd. There is a three-year spending commitment and those plans are reviewed towards the end of that period. Plans are made for the following three years.

Mr. Ellwood: Does the Minister appreciate the predicament that Darren Gunter finds himself in because that was the very issue he raised with me on the phone this morning? He asked me to plead with the Minister for some form of guarantee. It is great to have the bout now and to be able to run and maintain it, but there is no point in training the fire service to provide security and safety at sea if we cannot have the money to continue doing so during the Olympics in 2012.

Mr. Khan: If the hon. Gentleman is suggesting that we have the CSR 2010 now, I cannot give him that commitment. However, there has been scaremongering about the ability of Dorset fire and rescue services to provide facilities for the Olympics—we had a section 31 grant of £300,000—but I am confident that, if this Administration is in power in 2010, we will ensure that his authority has the facilities it needs to do the job it needs to do. We have always done that until now and that will always be the criteria that we use to give funding. The idea that we can somehow give commitments until 2010 is absurd. Darren Gunter will know—and the hon. Gentleman should know—that Dorset has already received £77,000 this year to do the sort of work that he is concerned the authority cannot do. The allegation that we cannot fill the hole for the work that is needed is not accurate.

Mr. Stewart Jackson: We are not talking about future funding. If the Minister takes his mind back to the comments of Dorset fire authority cited by the hon. Member for Mid-Dorset and North Poole (Annette Brooke), he will understand the current funding situation and the fact that, as recently as February 2007, 30 per cent. savings were anticipated for the fire control project for the south-west. Those savings have not materialised, and there is no likelihood that they will do so.

Mr. Khan: I do not accept those figures. In the time I have left, there are two things worth saying. The capital grant, which is new money for which Dorset will receive the fruits, is £35 million next year and £45 million the following year. That can be used to buy fire engines, which should deal with the scaremongering comment blurted out by someone in relation to the inability to buy fire engines. An important issue I have had not had the chance to address is that of FIReControl, and the fire and resilience programme. There is no better argument and justification for that than the comments made by my hon. Friend the Member for Gloucester (Mr. Dhanda)—my predecessor as the Minister for fire. He completely destroyed the points made by four separate Opposition Members—

Janet Anderson (in the Chair): Order. We now come to the next debate.

UK Skills Agenda

12.30 pm

Mr. Eric Joyce (Falkirk) (Lab): I am especially pleased to be here with my hon. Friend the Minister. This is my first chance to see him in action and it gives me particular pleasure to be doing that today. I am aware that quite significant parts of the UK skills agenda have been devolved, so although I will mention Scotland's policies, I shall try to err on the right side of the rules and avoid straying into the tricky territory that is devolved policy.

The skills agenda is perhaps the most important single area of public policy today. The Government in many respects set the terms of progress by commissioning the Leitch review of 2006. The resulting report, "Prosperity for all in the global economy—world class skills", was a practical piece of work that stated fairly orthodox facts of life about the future of our economy in the world and our need for a more highly skilled population. It also made a series of recommendations about how our education and training structures should be developed to meet the challenges at hand. That report has been followed through by the Government pretty much lock, stock and barrel, most notably through the creation of the UK Commission for Employment and Skills—the UKCES.

From my perspective as the Member for Falkirk, a Scottish constituency, the UK element of the UKCES needs a bit of unpacking. It is clear that the imperatives of the Leitch report apply across the UK and, indeed, much more widely in many respects—in the widest sense, they apply to any developed economy in the world today—but devolution means that different parts of the UK are carrying forward the ideas and philosophy central to Leitch in their own ways. Certain strands apply across the UK equally. The sector skills councils apply across the UK, which is very important. The Department for Innovation, Universities and Skills leads on those matters. However, there are also significant parts of the agenda on which it is for the devolved Administrations to make their own decisions and policies. As I said, I will refer to Scotland, but I shall endeavour to stay on the right side of the rules.

I shall examine the issue of skills through the prism of my own constituency. Falkirk sits in the central belt of Scotland between Edinburgh and Glasgow. Historically, it provided labour for the iron industry, which in turn served the shipbuilding industry on the Clyde and elsewhere in Scotland. Employment, skills and human capital in general revolved around a number of fairly simple assumptions about how a working life would normally pan out. Women tended not to work and men tended to be trained on the job. People tended to enter employment on leaving school, often staying with the same employer, in the same location, for their entire working lives. There was a tradition in Falkirk of skilled employment for some, as the iron industry required skilled artisans and engineers at one end of the spectrum, but much of the employment was semi-skilled and quite a lot of it was unskilled, even though people did it for their entire working lives. The schools turned out many kids who expected to enter similar employment to that of their parents, and the college sector, as it was then, often provided day release for them once they entered the foundries and associated employment.

Employment was available but, despite the fact that people often look back through rose-tinted lenses, it was not plentiful. Unemployment was much higher, employment was much lower and women tended not to work. Unemployment was a feature of life for greater numbers of people then than it is today, and working lives were often cut short by ailments caused by the industrial conditions in which people worked.

There is a danger here of presenting a monochrome, over-simplistic version of the local economy at the time. It is nevertheless fair to say that the essential nature of the local economy and people's working lives can be understood only against the backdrop of the foundries and the industrial landscape that they formed.

Interestingly—I think it is interesting anyway, because I did it—I sent 10,000 questionnaires to local households. I should have said that I and my massively capable staff did that—they did it and I take credit for it. We asked various questions about life in the Falkirk area, and many of the norms and figures that we got were pretty much the same as those that people would get not only across Scotland, but across the whole of the UK. From a policy point of view, Falkirk is in many respects a typical place that we can generalise from outwards to the whole of the UK—I like to think so, anyway. People can see the results of the survey on FKUK.net.

My predecessor in the House, Harry Ewing, who subsequently became Lord Ewing of Kirkford, said in his maiden speech that Falkirk was "solely an iron town". That was in 1971. He pointed out that there had been recent investment in the industry and that it was well equipped for the tail end of the 20th century. However, within about 10 years of that speech, most of the foundries were either closing or had closed, and by the time I came on the scene, just over 10 years after that, they were all gone. There was one left, but it has now gone as well, which shows just how quickly the nature of employment has changed in my part of Scotland and, indeed, across the UK.

Let us fast forward to today. All those foundries are now closed and on the sites of the old foundries are new build housing estates. Indeed, it sometimes seems that if planning permission permitted, pretty much every available square inch in Falkirk would have a house built on it. That is because Edinburgh and Glasgow are only half an hour away and Falkirk sits in the middle of three motorways, so people live there and travel to work. Clearly, there are still many jobs in Falkirk—including those at Alexander Dennis, which builds the red London buses, one of which we saw at the Beijing Olympics—but there is far more commuting and there is a far greater flow of people moving into the new build houses than moving on elsewhere. That impacts on the local economy, and I will come to the skills base.

Employment in Scotland is relatively high. The number of people of working age who are not on incapacity benefit and are in employment is slightly higher than it is across the UK as a whole, but working lives are characterised by far more uncertainty than they were in the days of the iron industry. The patterns of increased mobility and reduced time horizons in terms of how long someone might expect to stay in a job, a particular appointment or even a particular industry have, in common with a range of other features of life in the 21st-century global economy, placed the value of human

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capital—I believe this and I think that the Government do—at the top of the political agenda, and this is where the skills agenda comes into play.

It is more or less an article of faith within the skills agenda that higher levels of skills lead to higher levels of individual and collective productivity, yet as the UKCES has noted, Scotland apparently has higher levels of skills per capita but lower levels of productivity than the UK as a whole. Quite a lot of work needs doing to get to the root of why that should be the case, but it seems to me quite likely that there are important differences in the nature of available jobs. If people are upskilled and highly educated but fail to find jobs that suit their level of skills and education, they will be less productive by definition and perhaps even in terms of their own motivation. In addition, some OECD comparisons and some productivity measures, particularly those directed at the public sector, seem to me to need quite a lot more work before they can be considered properly valid and reliable. I know that the UKCES has commented on that and has made a pretty good start in that respect.

Another important variable is capital investment. New equipment virtually by definition drives productivity improvement, so older industries or service industries that have relatively low levels of investment in state-of-the art equipment will show lower levels of productivity even if the people who work in them are more highly trained and educated.

That point was made to me by Wendy Livingstone, the associate principal of business and innovation at Forth Valley college. Wendy is responsible for a new development in vocational education, which I think has implications across the whole UK. Often we speak of parity of esteem in relation to education and training, yet esteem is not really something that can be ascribed by politicians. It is essentially up to the "esteemers", if I can put it that way—young people, employees and employers and what they think of particular qualifications. We cannot really define it; they have to decide what they value themselves. Vocational education can be a hard sell when it comes to people with considerable academic potential. Sometimes even the Government and hon. Members are guilty of over-emphasising academic qualifications and the importance of people entering higher education at the expense of a more vocational route. Wendy and Forth Valley college are running an innovative scheme in conjunction with Ineos, the large chemicals company that is a major employer in the Falkirk area and sits just outside my constituency, in that of my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty).

Ineos has noticed that graduate trainees often lack physical skills and practical orientation in their early years. It has also noted that many skilled people in the oil gas and chemicals industries are very smart, like my brothers; they have not had a formal higher education but it could easily be thought that they had been educated to that level. Indeed, their salaries are commensurate with that belief.

Forth Valley college and Ineos have designed a regime that will see local school leavers being recruited directly into jobs that will lead them to Master of Engineering status within six years. That is a year more than through the traditional higher education route, but crucially it includes six years of applied industrial experience. That is at the top end of the vocational market, but is shows that there can be a significant overlap between the vocational and the academic routes. That is particularly important.

The Forth Valley college and Ineos initiative needs to be seen in the context of skills development across the UK. As I said, the UKCES has a UK-wide role, although it is technically only advisory in Scotland. Nevertheless, I am struck by how Scotland's principals are seized of the whole agenda, and all those to whom I have spoken seem very well acquainted with the work of Chris Humphries and his team at UKCES.

It is worth mentioning the fact that many things are done differently in Scotland. Some initiatives are precisely the same—for instance, the Catalyst series applies across the UK; and the sector and skills councils, too, cover the UK. Scotland can sometimes be guilty of the "not invented here" syndrome, but I wonder whether these things sometimes apply the other way around. Essentially, we have two systems; but each should learn from the other. That may sound hackneyed, but in this case it is true.

The Scottish credit and qualification framework is a case in point. It is widely recognised by employers, colleges—and, to a fair degree, by parents and schoolchildren. However, its corollary in England has yet to be embedded to the same degree. I wonder, when looking back to 2006, if it was necessary for England to change the structure; it seems to me that it could have used the SCQF system, which was already in place, was recognised and which now seems to work well. That is important, because people need to understand that a number of Government objectives impact upon the higher national certificate level on the vocational side when it comes to funding, and in how they measure its success. My hon. Friend the Minister may have a word or two to say about that.

England can clearly learn from a number of things that are going on in Scotland. I have spoken to a number of principals over the past few months, both in preparation for the debate and for other reasons, and in the broadest sense they believe that they have more room for lateral movement and local decision-making than their English counterparts. That enables them to have a stronger relationship with local employers. Indeed, initiatives such as that between Forth Valley college and Ineos are a case in point. I cannot back that up, but that is certainly their opinion, and it is probably worth further examination.

I have mentioned the role of the Scottish Government. I would not wish, knowingly, to be too enthusiastic about a Scottish National Party Administration, but the reality is that the party has many capable and competent officials, who are doing a really good job. Many of the structures work really well. I do not have a quibble with officials over the professionals, who are virtually all of an extremely high grade, but I sometimes have a quibble about the funding. I have one or two concerns in that respect. However, it is not for me to criticise Scottish funding for something that is devolved. Indeed, I would prefer to do the opposite.

For example, Train to Gain is a good initiative; it is directed through employers, and its focus is up to level 2, on literacy and numeracy; it is basic stuff, but it is

important to get everyone up to that standard. Train to Gain does not exist in Scotland; instead, it has individual learning accounts, which are means tested. Without wishing to confuse matters by referring to the two qualification frameworks, the higher awards are directed towards the HNC level. It seems that the English regime is much better in respect to its commitment to funding. It is also clear that the Department for Innovation, Universities and Skills is fully committed to funding apprenticeships—essentially making them available to anyone who wants one. Scotland does not. Unfortunately, in Scotland it has been cut. The impact will be seen in several years in workplace productivity.

In conclusion, I shall mention one other organisation. I have received advice about the subject from a large number of people and organisations, and it would be good to mention them all. It would be more fair to reel them all off. However, one organisation with which I have had contact over the last couple of years is the Edge Foundation, of which the Minister is aware. The Edge Foundation places an emphasis on applied skills and entrepreneurship, and it has an especially close relationship with the all-party group on skills, chaired by my hon. Friend the Member for Blackpool, South (Mr. Marsden), the National Skills Forum and a number of other leading skills organisations.

I have had the privilege of being briefed by a wide range of skills-related organisations, and it seems to me that the Edge Foundation has been in just the right place when it comes to taking an intelligent and highly enthusiastic approach to the skills agenda. The Government can lay the foundations for a skills agenda, but it has to be taken forward by all sectors—both the public and private sectors and what I would call the third sector. The foundation is a fine example. I have read its comments on the Apprenticeships Bill, and the Government would usefully take note of many of their comments in one way or other.

I have tried to present the UK skills agenda from the perspective of Falkirk and I have tried to emphasise how important the agenda is across the UK. I now leave the subject for my hon. Friend the Minister.

12.45 pm

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. Siôn Simon): I congratulate my hon. Friend the Member for Falkirk (Mr. Joyce) on securing this debate. He is an outstanding Member of Parliament with a broad range of interests. We are talking today about skills, but it could have been defence or even foreign affairs. In every area that he touches upon, he displays an exemplary depth of knowledge and commitment.

I agree with much of what my hon. Friend said. I share his admiration for organisations such as the Edge Foundation. The project that he described between Forth Valley college, an outstanding college in his constituency, and Ineos is interesting and innovative. It is a cutting-edge way of doing things.

Having spoken to people in this sector over the past few weeks, I realise that there is clearly a demand from the business community for even more Government resources, not only for level 3 but for level 4 and above. Questions of parity and esteem, and the snobbery that sometimes afflicts the vocational sector, can be addressed by exactly the kind of project that my hon. Friend has mentioned. I am certainly be keen to find out more, and to see whether the Department could learn from what is going on in Falkirk.

As my hon. Friend says, they are devolved matters, but I am clear that we in England can sometimes learn from Scotland. Perhaps on qualifications structures—although perhaps not—but certainly on forging local agreements on those matters in which college principals in Scotland believe that they have more flexibility than their counterparts in England, I am keen to learn more. My hon. Friend and I have had separate discussions about setting up a forum to discuss and investigate the matter, and if Scotland's practice is better and more flexible, we in England must certainly learn from it.

The rest of my remarks today will necessarily relate more to England, but we should indeed be clear that the broader skills challenges are nationwide, covering the entire United Kingdom. When Lord Leitch issued his report on skills in December 2006, he noted that for the UK as a whole changes to the global economy had significantly increased the importance of skills; that skills levels in the UK had been improving, but still lagged behind other countries; and that UK productivity levels had also improved, but not as much as elsewhere. Compared to the UK, output per hour worked was 17 per cent. higher in France and Germany, and 19 per cent. higher in the US. Up to one fifth of the UK's productivity gap with France and Germany can be attributed to poorer skills.

In his report, Lord Leitch set out the number of people whose skill levels must improve—and by how much—if we are to be in the world-class bracket for skills by 2020. He highlighted the potential benefits of raising our game and growing our economy by at least £80 billion over 30 years, and he recommended that we as a nation focus our help on those who can least afford and are least likely to pay for their own training. He was also clear that the training system would not work unless it was genuinely responsive to both employers and individuals. The thrust of what we have been doing over the last two years has been about making the system more flexible, demand-led and responsive. We have come a long way, but we still have a long way to go.

Government funding is big and getting bigger. It will rise from £4.6 billion in 2007-08 to £5.3 billion in 2010-11. That is a 7 per cent. increase in real terms and it will apply to more than three million learners. We have shifted resources towards those courses that have proven, sharp end, work-related benefits.

My hon. Friend the Member for Falkirk was delicate and sensitive when he touched, very elliptically, on whether our ambition in this Parliament is matched by that of the Scottish National party in its area of responsibility. I cannot fail to note that it has been reported that funding for apprenticeships in Scotland has been cut by the SNP Government from £52.8 million to £50 million, that adult apprenticeships have been refocused into three sectors and that apprenticeships outside those areas have been abandoned.

My hon. Friend will know that Labour colleagues in Scotland—not least John Park MSP—have been trying to do something about that situation, and an Apprenticeships Bill has been introduced that mirrors

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that of the UK Parliament. It has been well received in Scotland by employers, trade unions and colleagues in the Scottish Parliament. As we hope to do in England, the Bill will give apprentices in Scotland rights that currently do not exist.

At a time when there is a call throughout the UK for public procurers to support apprenticeships, Glasgow city council—a Labour council—is leading the way with plans to offer 30,000 apprenticeships to young people in the city. That is a tremendous aspiration and we wish those involved luck and support. In England, as my hon. Friend said, we are expanding and improving Train to Gain so that it is more accessible, responsive and flexible for small and medium-sized enterprises. We try to put employers at the heart of skills provision and by 2010-11, the budget for Train to Gain will rise to more than £1 billion. As my hon. Friend could not help noting, subtly but sadly, there is no Train to Gain in Scotland, and its lack is acutely felt by employers and organisations north of the border.

In the current climate, all those needs and challenges are more pressing. During previous downturns, training has too often been one of the first budget lines to be cut. However, evidence shows overwhelmingly that we cannot reserve investment in skills for periods of growth. The research evidence is unequivocal: firms that cut training during downturns are two and a half times more likely to fail than those that do not. Firms that invest are demonstrably more likely to pick up more quickly in subsequent upturns. We must get that crucial message out.

Much of the response to the current economic situation must come from the UK perspective. Businesses across the whole of the UK that do not invest in staff will suffer. The economic downturn is a global problem, not a devolved issue. Above all, that message must come from business itself. Companies invest vastly more in skills and training than the Government do. Last year, we estimate—although it is not easy to count—that employers invested about £38 billion in training their staff. That compares to £5 billion from the Government for adult skills and £5 billion for universities. That is why we wish to make the support for small and medium-sized businesses under Train to Gain available now, so that it is flexible whenever and wherever it is needed.

The reforms tie in with the support for small and medium-sized enterprises that was part of last month's financial restructuring in the banking sector. UK banks using the recapitalisation scheme have committed to market and maintain competitively-priced lending to small businesses and home owners at 2007 levels for the next three years. My hon. Friend was right to highlight the UK Commission for Employment and Skills, and I wish to associate myself with his commendation of it. As he mentioned, it is led Sir Mike Rake and Chris Humphries and it has already had a positive impact and plays a major part in delivering skills strategy in England. As far as I know, there is no such strategy in Scotland. The strategy brought forward in September 2007 as a response to Lord Leitch's report was overwhelmingly rejected by the Scottish Parliament. It was brought back to the Parliament the following May and rejected again, leaving Scotland waiting—even now—for a skills strategy in response to the 2006 report.

Meanwhile, the UK commission has produced an important report on simplification. It is a key piece of work with strong ministerial support. It will encourage greater collaboration between employers and between Government and employers on addressing skills needs. That is crucial in raising skills levels at the right place and the right time. It is not something that the Government or any one player will be able to do alone.

My hon. Friend pointed out that the Scottish economy has higher skills levels but lower levels of productivity. That is an interesting phenomenon about which he made some interesting points. The skills utilisation study under way now by the UK commission might be exactly what is needed to shed some light on that matter.

I hope it is clear that the Government share my hon. Friend's belief that skills are a top priority and are at the forefront of our efforts to ride out the present global challenges, generate long-term economic success and promote opportunity for all. I agree with him that skills are a devolved matter but the challenge is for the whole UK to raise its game and respond appropriately and effectively to current economic conditions. Again, I congratulate my hon. Friend.

Isle of Wight Council

1 pm

Mr. Andrew Turner (Isle of Wight) (Con): It is a great pleasure to serve under your chairmanship today, Mrs. Anderson. The case that I want to highlight is the Standards Board for England investigation of six councillors on the Isle of Wight, which, so far, has taken more than a year, and there is no end yet in sight.

In September 2007, allegations were referred to the board. It was claimed that a number of island councillors fell below the expected standards. There were no allegations of criminal activity and the complaints related to a planning application made by one of the councillors. I will not go into the substance of the allegations—they are still being investigated—but the process has been unduly lengthy and therefore harrowing for those involved.

The accused councillors are Anne Bishop, Vanessa Churchman, Patrick Joyce, Lora Peacey-Wilcox, Andy Sutton and Brian Mosdell. Sadly, Brian Mosdell died 13 days ago, and I will be attending his funeral tomorrow. The allegations against all six councillors are still outstanding. I do not suggest that the situation caused Brian's death, but the considerable stress and worry that he suffered as a result of the process, in the eyes of many, may have hastened it. I should like to put on record my absolute conviction that Brian was an honest and honourable man and a good local councillor. My sincere condolences go out to his family and friends. It is an absolute disgrace that the board did not reach a conclusion before his death, even though it knew that he was seriously ill. Everyone involved accepts the need for due process to be followed and understands the need for a thorough investigation. However, I wish that the board really understood how hard and painful the process becomes, rather than merely paying lip service to the idea. For instance, it would help if it kept its promises.

Let me summarise what has happened so far. After the original complaint was made in September 2007, initial investigations took place. In February 2008, it was said that a draft report of the findings should be ready within six weeks. That could have led to a final report being issued in April. The case would then have been completed within the board's six-month target. That failed to happen. Even at that time, Melanie Carter, the solicitor acting for five of the accused, registered her dismay at the length of time over which the investigation was taking place. On 27 February, some eight months ago, Miss Carter outlined the intolerable burden that the investigation was placing on her clients, pointed out that they had been removed from positions of responsibility in the council, and said that they were subject to politically motivated attacks reported in the local media. She also informed the board that some of her clients were suffering from serious health problems. Another client was trying to deal with the death of her partner, which happened during the investigation.

On 14 March, Tim Bailey, the investigator on the case, advised that a draft report was to be considered in the following week. That did not happen. On 9 April, Miss Carter was told that Mr. Bailey had left the board, that a new investigator was being allocated, and that the latter was

"currently away from the office and"—

staggeringly—

"her return date is unknown".

On 10 April, in response, Miss Carter outlined the real human and health costs of the delay for her clients. She pointed out—quite rightly, in my view—that those issues really ought to be taken into account and that the case should be given priority. It then appeared that the board listened to her plea: on 17 April, the director of casework, Hazel Salisbury, wrote to confirm that the new investigator would

"notify you of the outcome of the investigation within ten working days".

That promise, of course, was not kept.

On 30 April, Hazel Salisbury gave only an update. She said that the case was receiving "top priority". It certainly was not. She also said that board aimed to complete even complex cases within six months but, of course, the board had already missed that target. She wrote again on 8 May to say that she hoped to be able to issue draft reports for comment by mid-July. On 26 July, the new investigator, Natalie Birtle, confirmed that that was still on schedule.

On 15 July, Hazel Salisbury seems to have changed her role from casework director to ethical standards officer. She wrote to say that significant new evidence had been received and that she needed "further oral evidence". Miss Carter pointed out that, at this late stage, the delays were such that they may constitute a breach under article 6 of the European convention on human rights, which assures the right to a fair trial within a reasonable period. Instead, those involved were set to face questions about things that happened long ago. The passage of time leads memories to fade.

It was confirmed that the new evidence did not affect the case against at least some of the accused—the cases against them are different. Miss Carter urged that the cases that were not affected by the new evidence should be brought to a conclusion. On 10 October, some three months later, Hazel Salisbury, who had by this time changed back from being ethical standards officer to director of casework, claimed that she had considered severing the cases "at every stage". However, she now says that she has recently taken legal advice, and finally concedes that

"if it is possible to conclude any of the investigations earlier then I will do so".

It is a great pity that she seems not to have looked more thoroughly into that before.

The most worrying aspect is that, in the same letter, she says, yet again, that she has received new telephone calls concerning "further information" relevant to the case. Yet more interviews will be needed. At least one of the councillors has received a letter stating that the investigators will visit the island on 19 or 20 November. That councillor will be away on those days. There was no discussion about fixing a convenient date, and no reason why a further interview was necessary was given. The councillor has not yet received transcripts of the interview that he gave on 1 August. Is that really how a serious investigation should be conducted?

Disgracefully, there is still no time scale—not even a provisional one—for the final conclusion of the case. The behaviour and attitude of the board throughout this case has been reprehensible. The investigation has been subject to wholly unacceptable delays. The board

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has failed to communicate in a timely fashion with those being investigated and to consider properly severance of the different cases.

There is another basic injustice. The board initially failed to meet its target of six months. The files were therefore open when new evidence materialised 10 and 13 months into the investigation. With the passage of time, it becomes harder for those involved to have accurate recall of conversations, meetings and events that could clear their name. In criminal cases, an accuser must stand in open court and face the person whom they are accusing. It is a basic common law right for the accused to hear in full the evidence against them. The original allegations made to the board were clear and attributable, and names, dates and details were provided. Yet, in accepting the late evidence, in which no criminal activity is alleged, the identity of the accusers is being kept secret by the board. I challenge those who have submitted late evidence and who hide behind anonymity to have the courage to stand up and be counted in public. Without knowing the source of the new material, it is hard not to reach the conclusion that the allegations may be motivated by political purposes, rather than by any desire to reach the truth or to see justice done. Without knowing who is making the accusations, my constituents have no opportunity to question motives or integrity.

The timing of this matter may affect the outcome of the local elections, and the flawed and iniquitous process may fundamentally undermine our democratic rights. The Minister and I understand that the selection of candidates takes place not in the days before an election, but in the preceding months. I am not sure that the ethical standards officers know that.

I turn now to the considerable financial cost. Five councillors applied for indemnity against legal costs, and four of them were granted it subject to their being cleared. In January, East Hampshire district council standards committee was asked to examine the initial evidence to judge whether indemnity should be granted. It made its decision in two weeks. What on earth is taking the board so long?

The legal costs have mounted as the case has progressed. One of the councillors has already paid more than £14,000 in fees and can no longer afford to take proper legal advice. The others owe various amounts, currently up to £8,000 each and still rising. Disgracefully, the tribunal that may eventually hear the case has no power to award costs against the board.

I have supported a complaint that has been made to the parliamentary ombudsman, Ann Abraham. I believe that she will reach the same conclusions that I have about the way in which the case has been handled. However, I felt that it was important to bring the case into the public domain and also to let the Minister know about the very real suffering that it has caused. The chief executive of the Standards Board, Glenys Stacey, wrote to me recently. She says that once these investigations are complete, she intends to

"review our procedure with a view to seeking improvement in the future."

The Minister may remember the case against the five Islington councillors. All were acquitted after a two-year process. The outcome of that investigation was a review. Has nothing been done? While I accept that it is very important for the board to review this investigation, it is clear that such a review will give little comfort. Councillors Bishop, Churchman, Joyce, Peacey-Wilcox, and Sutton are suffering still, and the situation is painful to the family and friends of Brian Mosdell. All those councillors are decent, honest people who work hard for their local communities. The very worst of which they could be guilty—and I emphasise the worst—is an error of judgment. They do not deserve to have been treated in such a way. The board has now dropped the case against Councillor Mosdell. With Brian dead, the opportunity for him—and for everyone else—to know that his name was cleared has gone, which is very sad and a travesty of justice.

1.14 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Sadiq Khan): I congratulate the hon. Member for Isle of Wight (Mr. Turner) on securing the debate. I also congratulate him—I say this in a non-patronising way and hope that he accepts it in the spirit in which it is intended—on the tenor and manner of a speech that was made in difficult and emotional circumstances. The hon. Gentleman has conducted himself with a huge amount of dignity, and I congratulate him on his contribution.

I am grateful to have the opportunity to discuss the work of the board and the role that it plays in maintaining high standards of conduct. The debate also gives me the opportunity to address the issue of investigations into alleged misconduct. You will agree with me, Mrs. Anderson, that when councillors need to be investigated, the investigation should be done in a fair, thorough and impartial manner.

I shall make it clear from the outset that I cannot intervene in individual cases. It is right that I should not be able to do so, because that guarantees the impartiality of the conduct regime and the investigation process. In addition, although I am happy to discuss the process of a board investigation in general terms, I will not comment on, make reference to or engage in debate about any specific ongoing investigation. I hope that the hon. Gentleman understands why it would be inappropriate and unwise for me to do so.

Will the hon. Gentleman convey my condolences to the bereaved family of Councillor Brian Mosdell? Moreover, I want to assure him that two very senior members of the board are listening to this debate and that they will have heard his comments. The hon. Gentleman referred to the letter that he received from the chief executive of the board in which she said that the ethical standards officer is committed to completing the investigation and reaching a final conclusion as soon as possible. He also referred to the review. Without prejudice to the investigation, I undertake to take a personal interest in the review to ensure that it is not of the standard to which he alluded—not that I am saying anything about the previous review.

I want to do four things during my speech—promote high standards, address the issue of the conduct regime, consider the role of the board and consider investigations and their time lag, which relates to a specific point made by the hon. Gentleman. Almost a month ago today, on my first outing as a Minister, I discussed the conduct regime. As someone who served on the planning committee of a council for 12 years—I know that the hon. Gentleman was a councillor, too—I can say that the vast majority

of people who are elected to serve as councillors observe the highest standards of conduct, as do the officials who support them. Trust in our local authority members is one of the cornerstones of healthy local democracy. Voters expect that the members who have been elected to represent their interests will behave with honesty and integrity. Many men and women devote their time and energy to the service of their communities as local authority members, as stated in the recent White Paper "Communities in control: real people, real power". We want more people to take on civic roles and stand for office for their local authority, thus ensuring that local authority members are an able, enthusiastic and diverse group and that local representatives reflect the communities which they serve.

In this country, we have high standards of probity, accountability and objectivity, both as natural expectations of those we vote for and enshrined in the conduct regime. However, we cannot ignore the fact that failings occur from time to time and that there have been cases, albeit rare, in which the conduct of local authority members has fallen short of the expectations placed on them. When it occurs, such misconduct damages the community that the local authority members were elected to serve and also damages the wider reputation of local government, thus undermining the public's trust and confidence in the democratic system as a whole. We should, and do, take allegations of misconduct seriously. That is why we have put in place a robust conduct regime, which is supported by local authorities and the board.

I want to touch on the conduct regime. People expect a conduct regime that is serious, reasonable, robust and fair. The regime has to be fair to the public and to local authority members. It is worth reminding ourselves that the regime was introduced in the Local Government Act 2000 to promote high standards of ethical behaviour by local authority members. It gave a clear ethical framework for local authority members to work within, and clarified for the electorate the standards of behaviour that they can expect from those they vote into office. It gave clarity about what constituted acceptable standards of behaviour; it introduced an independent, robust, efficient, fair and effective means of investigating allegations of misconduct; and it gave a proportionate regime—proportionality is the key word—for dealing with those who had fallen short of those acceptable standards of behaviour.

A revised code of conduct for local authority members was issued last year. The idea was to provide a clear, simple and more proportionate code for members. The code removed barriers to members speaking up for those whom they represent on issues such as planning and licensing, and it has been well received by the local government world. It is that code by which all local authority members must abide. In May this year—I appreciate that the complaint that the hon. Gentleman has discussed was generated in September 2007—the Government fulfilled their White Paper commitment to introduce a more locally-based conduct regime for members and co-opted members of local authorities in England. Devolving responsibility for conduct issues to local authorities provides them with greater ownership of the conduct regime and local conduct issues, and it boosts their role in promoting and maintaining a culture of high standards of behaviour in local authorities. That belief is shared by the local government world.

The Standards Board, which until this point was responsible, as in the current case, for investigating alleged breaches of the code of conduct, assumed its new responsibility as the strategic regulator of local authority standards committees, responsible for monitoring their performance and issuing guidance on the conduct regime. Under the devolved conduct regime, allegations that a member of an authority has failed to comply with the code of conduct are initially assessed by the local authority's own standards committee. That assessment is in essence a filtering stage. No decision is taken about whether a member has or has not failed to comply with the code of conduct. Any decision on whether there has been a failure to comply with the code—in other words a decision about guilt or innocence—is determined by a hearing of the standards committee after a full investigation of the allegation has been undertaken by the authority's monitoring officer.

It was the hon. Member for Southport (Dr. Pugh) who secured last month's debate, which I referred to earlier. During that debate on 7 October, at column 60WH, he made a colourful reference to an incident in a local authority when one councillor threatened to "rip the arm" from another. I hasten to add that neither was a Labour councillor—I will let the hon. Member for Isle of Wight guess to which parties the maker of the threat, and the person on the receiving end, belonged. Thankfully the threat did not turn into action, but I think that we can agree that the cut and thrust of debate should be free of threats of dismemberment, even partial. Simply put, misconduct by local councillors and officials is not acceptable.

To address unreasonable behaviour we have the conduct regime, underpinned by the code of conduct and enforced through standards committees and regulated by the Standards Board. One of the roles of the board is to offer advice and guidance about the conduct regime to local authority standards committees. That is an important part of its work, but it is by no means the limit of its scope. The Standards Board still investigates the most serious allegations of misconduct. That is not to say that local authority monitoring officers lack the will, ability or experience to conduct a fair and thorough investigation into a serious allegation; it is simply that the Standards Board has people who are willing and able to investigate serious allegations of misconduct and who are experienced at doing so. In addition, the Standards Board has powers, should it ever need to use them, to compel witnesses to give evidence.

The Standards Board has investigated more than 4,000 cases since it was established and, while in its new role as a regulator it passes on its knowledge and experience through training courses and guidance, it remains ready to investigate when required. The hon. Gentleman may be interested to hear that at the beginning of October—during my second week in my present job—I was pleased to be invited to give the opening address at the Standards Board's annual assembly in Birmingham. Speaking with officials of the Standards Board, I was struck by their professionalism and enthusiasm. I believe that those attending the assembly—more than 700 councillors, standards committee members and monitoring officers—found it informative, useful and even enjoyable. That is because as well as holding seminars, plenary sessions and breakout sessions, the

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Standards Board brought together more than 700 members of the conduct regime community, which provided an ideal opportunity to share knowledge and best practice.

The Standards Board has the challenging target of completing 90 per cent. of its cases within six months. Last year, the board not only met but exceeded that target, completing 96 per cent. of cases on target within six months. My officials meet members of the Standards Board monthly, to discuss, among other things, its performance against its targets. The hon. Gentleman will have heard my commitment to take an active interest in the review that I mentioned earlier. I realise that for those who are the subject of an allegation awaiting the outcome of an investigation can be a stressful time. Performance against targets is, as the hon. Gentleman said, of little comfort to those who fall into the small minority of investigations that take longer than six months.

Investigations can become protracted for a number of reasons. Some cases are complex. There are investigations where an allegation is made against a member about an incident; that is about as simple as it gets and under the devolved conduct regime we would expect such an investigation to be conducted by a local authority's monitoring officer. However, investigations can involve multiple allegations and counter-allegations involving up to half a dozen councillors. It takes time to be thorough and fair. The availability of witnesses, for instance, may be a problem, especially in large and complex cases. Of course, the Standards Board recognises that a protracted process can be stressful, but haste is not an option.

We must also, consider, unfortunately, that the process of investigation can be protracted by malicious behaviour by the subject or subjects of the allegation, who perhaps have reason to fear the outcome. Findings of guilt can be damaging not just to individuals but to the political parties they are associated with. Delaying tactics, such as not attending scheduled meetings for interview, can push back the conclusion of an investigation, and it is all too easy to understand why a finding of guilt might be better for certain parties after a local election than before it.

Mr. Turner: The Minister has said that he can understand delay that is favourable; has he thought about delay at the other end, when people interfere and enter late information?

Mr. Khan: Without talking about specific cases, of course I can. There can be malicious complainants who understand that delay prejudices proceedings against the person complained of. I appreciate that, and so does the Standards Board. My point is that there are sometimes reasons, which we need to understand, for delays, particularly in protracted cases. I was trying to make the point—although I did not do so clearly enough—that although a delay of more than six months occurs in a small number of cases, there are usually reasons for that, albeit that the hon. Gentleman and I would find that delay unacceptable, because we want investigations to be fair, swift and dealt with as soon as possible.

The hon. Gentleman mentioned that an investigation process might be protracted by new evidence coming to light. New evidence arriving and changing the direction of an investigation is not just the stuff of fictional courtroom melodrama; in real life new evidence can complicate matters as well as resolving them. New evidence means further investigation, and thorough further investigation takes time. That is crucial if we are to ensure that the process is fair to all involved.

The outcomes of the investigations have an impact on reputations, careers and lives. They are not undertaken lightly. The Standards Board realises its responsibility; it realises that councillors trade with the public in the currency of trust—a currency as vulnerable to devaluation as any other. We believe that the current system—a locally based conduct regime with local authorities responsible for holding their own members to account, regulated by the Standards Board—is the right approach to underpin a functional, proportionate, effective conduct regime and a healthy local democracy.

I congratulate the hon. Gentleman once again on raising the issue, and on the tenor and manner of the speech in which he did so.

Schools (Stoke-on-Trent)

1.29 pm

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): It is a great pleasure to see you in the Chair, Mrs. Anderson. I applied for this debate amid great sadness, and it is a tragedy that it is necessary—a £250 million tragedy, to be precise.

When I rose in Parliament on 24 November 2005 to ask the then Parliamentary Under-Secretary of State for Education and Skills about the huge investment in education in Stoke-on-Trent, hon. Members on the Government Benches turned in amazement on hearing that so much money was being made available to my city. Looks of jealousy were all around me, but now we are in a sorry state. Stoke-on-Trent council, Serco and, sadly, even the Department for Children, Schools and Families have turned that good news into disaster. Why? Because the council thinks that it knows best and does not trust residents with a genuine say in how Building Schools for the Future funds are used. In that question three long years ago, I asked that the council engage with local people in spending BSF money. Those three years have passed with a lamentable absence of engagement, as I will illustrate in the time available to me.

We had three or more false starts with laughable activity, such as the council issuing draft plans only to withdraw them quickly and pretend that nothing had been issued. In July last year, the city's Members of Parliament discovered by chance that the council had briefed the local media that it intended to close all 17 high schools in Stoke-on-Trent, as well as—almost as an afterthought—the special schools. I found out about the closure of schools in my constituency during a chance conversation in the Library corridor. At that point, the council said that it would open just 12 new high schools, with a reduced number of co-located special schools. After a speedy intervention, we managed to buy time last summer for the council to engage in proper dialogue not only with city residents but with specialists, educationalists and health professionals—indeed, with all who have a stake in the future of our great city.

Despite that, we had a summer of inactivity. A token event held on 12 October last year was nothing more than a sham. It was to some extent a gathering of interested stakeholders, but it by no means included all of them. Ironically, we witnessed a presentation about the importance of engaging with all stakeholders that gave no opportunity to hear the views of those gathered, let alone those not invited.

I will not detain those present with a blow-by-blow account, but suffice it to say that at every turn, fellow Members of Parliament and I were told one thing while the council did another. We were told that discussions with head teachers would take place at the start of this year, but we then found out that those meetings were held without our input and that head teachers were simply told what was happening to them, with no dialogue taking place. As a result, Stoke-on-Trent, South, which currently has five non-faith schools, will have just two if these hare-brained plans go ahead.

Let us look at what is planned for my constituents. The council, aided and abetted by its henchmen from Serco—I will turn my attention to that lot in a moment—plans to close Edensor, Longton, and Trentham high schools. Blurton high school is to be rebuilt, which is good news. Sandon has been rebuilt and, at my invitation, was formally opened last week by Lord Mandelson. That school is to be extended to take even more pupils. A new school in the constituency of my hon. Friend the Member for Stoke-on-Trent, Central (Mark Fisher) is planned for the Park Hall site. Incredibly, the Park Hall site is currently occupied by the hulking mass of an old gasometer. It is on a busy traffic island and opposite a main bus garage, with buses pulling on to and off a busy main road. So much for safe routes to school.

Pupils from the Meir North or Weston Coyney areas of my constituency will now have a choice. They can travel to Sandon high, which is a good school, but the journey will involve crossing the very busy A50, which has an average of one serious accident every week just in the stretch that runs through my constituency. Or they can journey some miles to the Park Hall site, with all the problems that I have mentioned. Why? Because local Longton high, which head teacher Jan Webber has successfully brought out of special measures to be a nationally recognised specialist arts college, is reckoned to be surplus to requirements.

Pupils from Sandford Hill and Meir Hay will have to travel along the narrow, congested, dangerous Anchor road, which has a narrow pavement on one side and no pavement at all on the other to the aforementioned Park Hall site. Alternatively, they can travel through Longton town centre, avoiding all the traffic, cross the A50 as I have mentioned and go down into Blurton to their new school. Pupils in Trentham or Hanford will have to travel along Longton road, over the west coast main line railway track, over a canal and on to the bottom of the Trentham Lakes industrial park. There, no doubt, they will have to compete with the lorries that use Sir Stanley Matthews way to access the major distribution warehouses on that site.

Those listening to this debate may be wondering by now how the council chose the sites. That is a good question, especially considering that Serco and the council did not even bother to visit at least half the schools before announcing their plans. The next thought might be, "Why reduce five non-faith schools in Stoke-on-Trent, South to just two?" The council has projected that the city will have about 12,000 pupils by 2014. That is an easy equation—12,000 pupils divided by, let us say, 1,000 is 12 schools—but it is supposed to be a plan for our children's future, not a primary school maths lesson.

Let me unpick those figures a little. According to the BSF guidance for pupil place planning, the council should be using the number of pupils forecast for 10 years in the future, so we should be looking at the number of one-year-olds in the city, as they will be the pupils entering high school at age 11. According to Stoke-on-Trent primary care trust, there were 3,181 one-year-olds in the city last year, and in the first nine months of 2008, 2,852 babies were delivered. That suggests about 3,000 children each year or, for a five-year high school, 15,000 children aged 11 to 16.

According to the House of Commons Library, Office for National Statistics figures show that this year there are around 14,100 under-fives in the city. It is projected that by 2018—that, not 2014, is 10 years' time—that may have fallen to 13,000, so between 13,000 and 15,000 children in Stoke-on-Trent will need a high school place

[Mr. Robert Flello]

in 10 years' time. But the council is looking at 2014, which is not in 10 years' time, and it has not taken account of the increased birth rate in Stoke-on-Trent, which even it admits has risen noticeably.

The BSF funding guidance for pupil planning goes on to say that where rolls will have fallen at the 10-year projection point but a BSF school opens in advance of that, BSF will fund the extra places up to 5 per cent. Even if we take the lowest figure of 13,000 and add 5 per cent., that still gives us 13,650 pupils compared with current pupil numbers of about 15,000. The council in its gross simplicity said, "Okay, let's call it 13 schools," without any rational thought. We should have places for at least 13,650 pupils, or more likely 15,000, based on current birth rates.

Let us turn our attention to the other part of the Mickey Mouse equation, the 1,000-pupil schools. Where does that magic number come from? Put bluntly, the figure was come up with simply to maximise the funds available to individual schools, without any regard for the effect on pupil well-being and the challenges faced by my city. It also ignores collaborative working, which even the council, with its travel to learn partnerships, suggests that it wants to engage in. A pupil in an intake of 250 can never be an individual, but must be an element of a teeming mass. So much for Every Child Matters. Again, the council has ignored Government guidance that local authorities should use local needs when modelling projects.

All the way along, Serco and the council have said that the programme is not about buildings but about improving education, but all their attention so far has been on buildings. All that we have heard from them is closure, closure, closure. To look more closely at Serco, the company says on its website that it designs innovative solutions. Really? Serco told parents of pupils at Longton high that to get children to activities outside the normal school day, it would provide taxis or buses. Well, that is innovative.

Serco states that

"our vision is to deliver shared success by understanding the needs and challenges faced by every school, teacher, learner and parent."

So why has it run a programme of misinformation, division and information control? Why has it failed singularly to engage with schools, parents or teachers in any other way than by taking an arrogant "We know what's best for you" approach? Perhaps it is because Serco also runs everything from the Atomic Weapons Establishment to the Woolwich ferry.

Serco's website also says that if

"you haven't heard of Serco"

in the context of BSF, it might be

"because we just get on and do it".

Those of us in Stoke-on-Trent, South know that that is true—Serco just gets on and does it—because it certainly has not listened to the needs and wishes of local people.

There is no dispute that we in Stoke-on-Trent, South, like the rest of the city, need to improve how our young people are educated—no one has ever disputed that—but let us not pretend that it is a complete disaster at the moment. Longton high used to be a failing school, but instead of being helped, it has been cut down at every opportunity. It has been said that the Department's role, through the national challenge programme, is to support the efforts of schools that are improving from a low starting point. Who said that? It was my right hon. Friend the Secretary of State for Children, Schools and Families.

Jan Webber and her team at Longton high have done a fabulous job of improving the school, despite the death sentence that has hung over it for the past three years or so. Longton high had a proud history, but council bully boys have seen an end to that.

Trentham high school is the second-best performing school in Stoke-on-Trent and the best performing non-faith school. The head teacher, Sue Chesterton, was brought in by the local authority to bring the school out of special measures. The results that she has achieved speak volumes about how effectively she has done that. But how are she, her team and her pupils rewarded? Well, the school serving the Trentham and Hanford communities is to close. How pathetic.

Because of schools such as Trentham high and Longton high, Stoke-on-Trent is now in the top 20 most improved school authorities. My right hon. Friend the Minister will know that there have already been demonstrations, a walk to Westminster and numerous fundraising activities to fight the madcap ideas that I have described. In his letter dated 20 October, the Minister asked me whether I will now support Stoke-on-Trent authority with its plans for reshaping their schools under BSF. I must say to my right hon. Friend that the answer is no. Those are not the authority's schools; they are the parents' and pupils' schools; they are future generations' schools; and I will only support plans that are in the best interests of current and future generations, not plans that serve the convenience of Serco or council officers.

I facilitated an alternative proposal for Stoke-on-Trent schools. It involved a plan drawn up by teachers and parents based on educational needs rather than mathematical simplicity. I did what Serco and the council should have done, but in their ignorance failed to do. I am not an education expert, but as a local MP my role is to pick up the pieces when people are let down by those who are paid to serve them. That alternative proposal could have formed the basis of a more sensible plan to improve education in my city, but it was dismissed out of hand. I then had copious meetings to find compromises to find a way through our difficulties, but of course Serco and the council were never interested in anything other than their supposedly innovative bulldozing schools for the future plan.

Indeed, I have a copy of a glossy booklet produced by the city council, which is called "Our Vision for a Learning City". It is fascinating reading. In the introduction, it says:

"This is not a short-term vision."

Well, I agree with that. Instead, it says that it is a vision that has been

"developed by councillors and officers within the local authority who ... have been working over the past five years with a wide range of stakeholders".

I do not know whether the Trade Descriptions Act applies to a document such as this, but if it does then the document will be kicked out.

The council's "vision" goes on to outline key principles. It says:

"Our aim is to create a family of schools."

It talks about "'travel to learn partnership'" and also, amazingly, about:

"Placing the school at the heart of the community".

If that were true—sadly, it is not—why not have a ranger of smaller schools, or a school that is spread over several sites?

Mark Fisher (Stoke-on-Trent, Central) (Lab): My hon. Friend has referred to the Park Hall site, which is in no community whatsoever. It is a gasometer site poised between his constituency and mine, and it has no population around it whatsoever. It is the antithesis of a community school. My hon. Friend's critique of the local authority and Serco has been so devastating that anyone listening to it might feel that it was overstated. I would just like to put on record that I share every single one of his reservations and criticisms. He has put a very intelligent and comprehensive case. The plans, as they are at the moment, will damage both communities and education in his constituency and in mine in a devastating way.

Mr. Flello: I am most grateful to my hon. Friend for those words.

Moving on through the so-called document—I can think of better uses for it—it states that

"the transfer to new schools and academies will be carefully planned and properly managed. We will work closely with school staff and their unions".

So far, I have seen no evidence whatsoever of that happening. In fact, I have seen quite the opposite; I have seen places such as Longton high being abandoned just to get on with things.

The document goes on to talk about

"Ensuring that young people's access to learning is not limited by the length of a school day or access to facilities".

That is a further joke in this supposedly serious document. It continues:

"The new schools and academies will be located on sites to serve communities throughout the city with safe and accessible routes and at reasonable travel distances."

Quite how the Park Hall site or the site at the bottom of an industrial location can be considered to be "safe and accessible" beggars belief.

The document continues on the subject of parent choice, talking about

"increasing diversity of provision to meet parental choice".

What parental choice? How can there be parental choice when a popular, well-performing school, one of the best schools in the city, is closing and one of the most improved schools in the city is closing? I fail to see how parental choice comes into that context.

The Trentham parents action group is now pursuing the excellent idea of forming Trentham high school into a co-operative school. After all:

"Engaging parents is, of course, important - and it was this government which helped set up the first parent-promoted school last year and will now fund 100 co-operative trust schools."

Those are not my words; they are the words of my right hon. Friend the Minister in his article in *The Times Educational Supplement* on 24 October.

I say to my hon. Friend the Minister that the time for warm words is over and that the game of ping-pong is over. No longer can the council say that its hands are tied as the Government are dictating the number of schools, and no longer can the Minister say that the matter is all in the hands of the local authority. We now have a newly appointed, very excellent and capable acting chief executive officer at the council, who I hope will see the sense in our proposals.

In conclusion, I would like to ask my hon. Friend the Minister a question. If the council proposes allowing Trentham to become a co-operative, parent-promoted school, will he allow them to do so? Furthermore, if proposals come forward for a school to serve Longton, Meir North and Weston Coyney, will he allow that too? A simple yes will suffice.

1.45 pm

The Minister for Schools and Learners (Jim Knight): I thank my hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) for raising this important debate. It is particularly important for his own constituents and those of my hon. Friend the Member for Stoke-on-Trent, Central (Mark Fisher). I know that they have both been involved in this issue, particularly my hon. Friend the Member for Stoke-on-Trent, South, and in a series of discussions that we have had. We have met on a number of occasions, including with the Stoke MPs as a whole. I have always been grateful for his ideas and those of the other Stoke MPs, and I can assure him that they have never been dismissed out of hand. From the tenor of what he has just said, he accepts that we need to get on with realising the benefits of this substantial investment in education in the city.

Nothing could be more important than making sure that every child in every area is able to go to a good school. The landscape of our communities is dramatically changing, with regeneration seeing a transformation in public buildings, services and homes. New health centres are springing up, as are Sure Start children's centres, libraries and schools.

Schools are at the heart of their communities and they are intrinsic to this process of change. It is right that they are at the heart of their communities, because children and young people should be the focus of our communities and at the centre of everything that we do. Building Schools for the Future is the biggest Government investment in school buildings in five decades.

In September, tens of thousands of pupils started term in new buildings or new schools, with the highest number of new or refurbished schools for at least 30 years; more than 20 of those schools across the country were BSF schools. After decades of under-investment in school buildings, we are saying to children, "Your learning environment matters, your communities matter and your future is worth investing in". We must achieve that investment in a consistent way for every child.

In Stoke currently, education provision is not consistent; some schools are working well and improving in their pupil attainment, but others are not. Seven schools in Stoke-on-Trent are currently achieving below the 30 per cent. threshold for GCSE pupils gaining five higher level grades, including in English and maths, or are in danger of falling below that threshold.

I will come back to the issue of pupil projection in a moment. However, falling pupil numbers, which result in surplus places in schools across the city, is preventing schools from making the best use of their resources,

[Jim Knight]

from providing a consistent standard of education across the city and ultimately from driving up standards and pupil attainment.

Real change for children and their families sometimes involves radical decisions by local authorities. We cannot shy away from those decisions. Last month, I visited James Brindley high school in the north of Stoke-on-Trent and I saw a school where the standard of accommodation—the quality of the buildings—was frankly not good enough for the generation of pupils that is currently there, let alone for future generations. That visit convinced me of the urgency of getting on with things in the city. I suspended the BSF project there some time ago, to try to see whether or not further discussion and consultation locally would help to achieve a consensus. However, I am convinced now that we need to get on with things.

The council has made a number of proposals: reducing the number of secondary schools from 17 to 13, as we have heard; opening five new academies, and new buildings funded by BSF will make schools more accessible to children and their families. None the less, I understand that there are geographical constraints in the city, which makes achieving that accessibility more difficult in some areas than in others, and the council will need to address those constraints. There will be greater strategic direction and leadership through the academies model, and real local commitment to the children of Stoke will be demonstrated.

I am pleased to say, although I know that it will not be universally celebrated, that yesterday I approved the Stoke-on-Trent "Strategy for Change" part 1 document, which outlines the local authority's aspirations for change, and I look forward to the sequel, part 2. I am keenly aware that the decision to close schools is a difficult one that is unpopular in parts of the city and certainly with my hon. Friends. That is particularly acute in relation to Trentham high, where results have risen in the past two years. I congratulate teachers, pupils and the head teacher, Sue Chesterton, in particular, on progress there. However, the local authority faces a significant challenge with the fall of pupil numbers in the south of the city. In common with its clear legal duties, it has taken the decision to reduce the number of schools in order to rationalise places.

My hon. Friend the Member [redacted]ke-on-Trent, South talked about pupil number pr[redacted]ns. In January 2008, there were 13,113 pupils aged [redacted] to 16 in Stoke-on-Trent's mainstream secondary schools, which have a net capacity of more than 15,500. The mainstream secondary school population in Stoke-on-Trent is projected to decline, over the next 10 years, to 11,790 at its lowest point, in 2013-14, and rise to 14,642 by January 2019.

Mr. Flello: I suspect that those figures are a little disingenuous given that huge volumes of pupils are leaving the city—indeed, they have been encouraged to leave—because of the council's appalling behaviour in recent years. A school on the outskirts of Stoke-on-Trent currently has only about 50 per cent. of its pupils from Stoke-on-Trent. The figures that my hon. Friend has quoted relate to the number of pupils currently in the city's schools, and are based on the assumption that the flow out of the city will continue.

Jim Knight: I am certainly aware that there is a migration to neighbouring authorities. However, our delivery body, Partnerships for Schools, has confirmed that the methodology being used is sound and in line with national best practice. The council has taken into account, among other factors, live birth data from the local primary care trust, and the migration of pupils to secondary schools in neighbouring authorities. The PCT's figures are cumulatively greater than those from the Office for National Statistics, which my hon. Friend quoted. Such differences are quite normal and are generally acknowledged by the ONS as being due to local knowledge. The figures are more up to date. I have had to consider this issue, and we have had discussions about the council's earlier ideas, so we have challenged some of the projections, but I am now convinced that the projections are right. They have therefore informed the decisions on school organisation that the council has had to make.

Mr. Flello: If I heard correctly, my hon. Friend just said that the PCT's figures are more accurate because they are more up to date. According to those figures, we should expect there to be about 15,000 11 to 16-year-olds at the 10-year projection point, which is the point for BSF. Is he saying that the funding going to schools in the area outside Stoke-on-Trent will be increased because they are getting pupils who should be being educated in Stoke-on-Treat? He is obviously acknowledging that 15,000 young people will require schooling in 10 years' time, at the age of 11.

Jim Knight: I am saying that the methodology, based on national best practice and in line with that practice, says that the high point will be in just more than 10 years' time, when there will be 14,642 pupils across the city. That is the high point on which the planning has had to be based.

The local authority feels that the new site at Blurton school, because it is more centrally placed, will allow more pupils in the south of the city to benefit from high-quality educational provision. Statutory responsibility for school planning rightly lies with local authorities. It would not be right for us to impose central solutions to local problems. My job as a Minister is not to judge school organisation matters. Under the Education and Inspections Act 2006, that is a matter exclusively for the council. My responsibility, as the Minister for Schools and Learners, is to ensure that the huge investment in Stoke's schools that my hon. Friend talked about at the beginning of his speech will raise standards, particularly where they are patchy, as they are in the city. I am satisfied that the plans pass that test.

BSF's success will be measured not in bricks and mortar, but in community improvement, pupil achievement and brighter prospects for all. Clearly, the nature of the public debate in the city on BSF means that there is a lot to be done on community cohesion and bringing people together when decisions have been made. As the report of the Select Committee on Education and Skills on BSF said, we must make sure that its impact is sustainable and that it continues to inspire long after the smell of fresh paint has faded.

BSF is not a facelift to make schools look 10 years younger. It has to be a permanent solution to make them last for decades. For the pupils of Stoke-on-Trent, great buildings, strong leadership and renewed direction

will bring an impact that I am confident will last long into their futures and will build a strong platform for success now and for generations to come. I know that it has been difficult locally to get to this point, but, as I have previously discussed with hon. Friends, now that it has been necessary to make the decisions, I hope that we can urge local people in the city and their representatives to move forward and get behind the plans, rather than continue to oppose them and create that sort of division.

Mark Fisher: Will my hon. Friend take up the opportunity offered by last week's referendum, in which the elected mayor, who has pushed through the plans, was hugely rejected? The plans, which are very much the mayor's creation, have been rejected by parents at almost every school in the city—in my constituency and in those of my hon. Friends the Members for Stoke-on-Trent, South and for Stoke-on-Trent, North (Joan Walley). Now, the mayor who pushed the plans forward has been rejected by the general population. Is not this a moment to spend a little more time considering the plans and to see whether a plan that has the support of parents, teachers and governors can be shaped? That would not require a great deal of alteration, but it would be a constructive move and would be widely welcomed across the city.

Jim Knight: I have noted the decision in the referendum on the principle of whether to proceed with the mayor. People who have more local knowledge will judge whether that was a referendum on the personal performance of the mayor who was in post or an answer to the question of whether to proceed with the principle of having a mayor. As I have said, decisions about school organisation, such as which schools should be where and what capacity they should be, are, by law, decisions for local authorities. It is not inconceivable that the local authority will, given the referendum result, listen to what my hon. Friend says.

I should like to underscore my impatience that we should proceed. I would not want anyone listening to the debate to take any comfort from any of my remarks in feeling that I want any more delay. I was struck by my visit to the north of the city, and if I have an opportunity to visit the south, I shall do so. I have a responsibility to all the pupils in the city to allow them to gain from the investment and for it to go ahead. As long as the council is coming forward with plans that improve school standards, I will approve them and allow the city to move on. I hope that everyone understands that and accepts my impatience for the children of the city.

Question put and agreed to.

Adjourned accordingly at one minute to Two o'clock.

Westminster Hall

Wednesday 5 November 2008

[FRANK COOK *in the Chair*]

Internet Fraud

Motion made, and Question proposed, That the sitting be now adjourned.—*[Steve McCabe.]*

9.30 am

Dr. Richard Taylor (Wyre Forest) (Ind): It is a delight to see you in the Chair, Mr. Cook, and to see the Minister here, as well as a sprinkling of Members who survived the night and who managed to get up in time this morning. It is a huge privilege not only to have secured a debate on this subject but to have the very first debate after the earth-shattering events in America. I am pleased to be the first Member to congratulate Mr. Obama on dreaming the impossible dream and walking towards it.

I shall now bring us down to earth with a huge bump. What I shall discuss is terrible, but it is of crucial importance at this time of credit crunch, job losses and negative equity. The seeds have been sown for criminals to catch desperate, unwary people.

In the 1600s, the Duke of Buckingham stated:

"The world is made up for the most part of fools and knaves, both irreconcilable foes to truth."

Things have changed tremendously. Obviously, knaves are still the foes of truth, but it is no longer just fools as well. Every one of us can be caught by the incredible complexity and professionalism of scams that take place on the internet, by telephone and by letter.

I shall illustrate that with one disastrous, devastating case that has affected one of my constituents. I first heard about it when my constituent wrote to me in April. The first paragraphs of his letter state:

"I regret to report to you that our current society and the government as a whole have failed to protect the victims of fraud.

I would like to state that fraud victims are far more damaged psychologically than violence victims."

Bob Spink (Castle Point) (UKIP): My hon. Friend is a wise, sincere and caring Member of Parliament, and he is right to bring this important matter to our attention. He will elucidate a specific case, but there is a general problem as well, and that is what I want to address. Not everything in Nigeria is working well, as we all know, but the Economic and Financial Crimes Commission is well focused. It is the best bet to tackle the source of the great proportion of internet crime, fraud and scams, which particularly target and hurt vulnerable British people. Does my hon. Friend agree that the Government should target the source of fraud by giving even more support than they currently do to the EFCC?

Dr. Taylor: I thank my hon. Friend for that intervention. I would rather leave it to the Minister to tell us what is being done and what can be done, but I take the point. Crucially, this is a cross-party matter, and I do not see a place anywhere for party point scoring.

The person involved in the example that I am using to illustrate my case is a professional man. We cannot say that he is a fool. In retrospect, he was obviously unwise, but he is a professional man. He was told that he had won a huge sum of money on a foreign lottery but that it was held by Customs awaiting payment of duty. To my utter amazement, he paid £104,500—I do not know where he found it—as duty and then received a receipt, ostensibly on Her Majesty's Revenue and Customs paper. I have been told by HMRC that it is not a bad forgery. It stated:

"Dear Sir,

Ref: Consignment Boxes

We write to inform you that your consignment from Spain has been in our custody since 4th April 2008. We confirm that a total payment of £104,500.00 has been received on your behalf for duties. From our record we discover that your consignment has been in our custody for 70 Days which has attracted demurrage."

The fraudsters then had the nerve to ask for more money:

"However, we equally discovered that a waiver was granted to you for 21 Days leaving you with a demurrage for 49 Days totalling £37,240.00 to be paid before your consignment can be released.

I also confirm that you have been given a 14 Days grace to pay this amount or risk further demurrage."

That very convincing receipt was on what looked like official paper. Thank goodness the poor chap approached his lender for the £37,240—he thought that he would get half a million pounds, or something like that—and his lender smelled a rat. My constituent, still totally trusting, sent an apologising e-mail to the scammers and then got a most remarkable, defensive reply, which obviously let the cat out of the bag. The spelling and grammar were bad. It was from a firm called Asset Protection International, and included convincing information about the company, and photos and CVs of its directors, including their qualifications and family details.

Mr. Nigel Evans (Ribble Valley) (Con): My hon. Friend is giving an example from his constituency, but I suspect that each and every one of us have received e-mails to tell us that we have won a prize in a Spanish lottery. In the midst of my delight at winning a Spanish lottery, the question I always ask myself is, did I buy a ticket? The answer is, no, I did not—therefore, how can I win a prize? Does my hon. Friend not think that there is an onus on people, when they receive such e-mails—he has said that his constituent is a professional man—to utilise at least an ounce of common sense and realise that one needs to buy a ticket to win a prize?

Dr. Taylor: Of course that is obvious in retrospect, but if a person is in desperate debt already and sees something that looks like salvation, will they remember that they did not buy a ticket? That is the whole problem. I shall come on to awareness, because the whole point of this debate is to raise awareness of the problem

Returning briefly to the example, I wrote to HMRC, which got further information from my constituent and is now working with the West Mercia police, the Serious Organised Crime Agency, the Association of Chief Police Officers, City of London police and the National Fraud Strategic Authority, but there is little hope of getting the chap's money back.

[Dr. Richard Taylor]

Since then, one of our local papers, *The Kidderminster Chronicle*, has issued warnings about false lottery winnings, huge legacies from long-lost relatives overseas and a soldier in Iraq who asked a lady to look after his money for him until he comes back. Other cases have been highlighted in the newspapers. The *Sunday Mirror* told of the terrible tragedy of an elderly lady who was £80,000 in debt. She could not afford heating and died of pneumonia. *The Times* wrote about elderly people in Westminster who were caught by a prize draw scam. Those are all examples of "phishing", which aims to get money out of people or to obtain their identity details.

I have an extremely good assistant who weeds out my e-mails, but yesterday the spam filter—I nearly called it a scam filter—did not pick up something that came to my assistant, supposedly from Abbey National. It stated:

"This is to inform you that your Abbey National Plc profile needs to be updated".

All someone has to do is just click on it. It is absolutely scandalous that our spam, or scam, filter even lets that through.

There is another aspect to this. I am grateful to the Federation of Small Businesses for letting me know that nearly 20 per cent. of small businesses feel that the risk of online fraud is a deterrent to their buying and selling online. Small businesses report that phishing e-mails are a continuing problem. Theft of internet domain names is also a huge issue, with fraudsters posing as legitimate businesses trying to draw customers away. Damage can be done to a business's reputation.

Mark Williams (Ceredigion) (LD): I congratulate the hon. Gentleman on securing the debate. Does he share my concern that, in Wales, as a recent survey has revealed, only 35 per cent. of small businesses fully operate their financial procedures online? To emphasise the point that he has just made, more than 38 per cent. of them said that the threat of international fraud was a direct impediment to their developing their online services further.

Dr. Taylor: That is true. It is a huge deterrent to small businesses.

I thought that I had secured a debate free of medical interest and that I was going to break the mould, but I met the editor of the *Drug and Therapeutics Bulletin* recently who sent me a paper called "The counterfeiting superhighway", by the European Alliance for Access to Safe Medicines, which mentions the huge numbers of online pharmacies that are putting at risk the people who use them. The foreword to that paper states:

"The internet has the power to be the greatest single force for good in history, the capacity to enable each of us to learn about people, places and events that were previously unimaginable.

How many of us would routinely invite fraudsters, thieves, pornographers, paedophiles, criminal gangs, terrorists and the like, into our homes? All of these inhabit the dark recesses of the internet and, every time we log on, we risk coming across them."

The executive summary states:

"This report has been written with one goal in mind—to raise public awareness of the inherent dangers of purchasing prescription-only medicines...via the internet....The objective of this report was to clarify the likelihood of medicines purchased online being counterfeit, substandard or otherwise illegal, and to develop recommendations that will protect patients and consumers from the potentially lethal outcomes of access to these products."

Some of the research published in the report is terrifying. In only 6.2 per cent. of online pharmacies is there a named, verifiable pharmacist; only 9.7 per cent. require a prescription for prescription-only medicines; 55 per cent. offer bulk discounts; and fewer than two in 10 physically exist, which means that they do not have a traceable bricks-and-mortar address.

The conclusion to the report states:

"With just an internet connection and a credit card, medicines that are stringently regulated in Europe and global markets can be bought effortlessly over the internet. As the results of this research reveal, the actual products delivered to buyers range from genuine—though still illegal—to dangerous substandard copies and illicit counterfeit products...At present, online buyers receive no shelter from the threat, and ironically the attraction, afforded by deceptive and corrupt online medicine sales."

Here we have another example of ruthless criminals targeting the vulnerable.

David Taylor (North-West Leicestershire) (Lab/Co-op): We all call the hon. Gentleman "My hon. Friend", and rightly so. Does he agree that the one issue the Government need to tackle is the lack of hard, verifiable data about the scale of the scams, frauds and cybercrime that are taking place? Even when hon. Members try to extract information about numbers of arrests, prosecutions and convictions for such crimes, the answer routinely bounced back is that such information is not held centrally. We need to start doing that so we can treat this area with the importance that it deserves and allocate adequate resources to it.

Dr. Taylor: I thank my hon. Friend for his intervention. As I have said, I am leaving it to the Minister to give us the answers; but I have one or two suggestions for him, one of which is that we need a widely co-ordinated campaign of research to discover the depth of the problem and ways to produce awareness in the ordinary person. I hope that the Minister will help us in this way when he winds up. It is essential that we try to catch and punish the criminals, but doing so will be extremely difficult. Our job is to raise the awareness of the vulnerable so that they are less likely to be caught.

I have one suggestion, request or recommendation. However, first, I remind hon. Members of the marvellous little book, "Commons Knowledge", written by the hon. Member for Newport, West (Paul Flynn), which has 10 commandments for Back-Bench Members of Parliament, including,

"Serve...the weak and the neglected"

and "seek the silent voices". It is these people whom we are trying to protect: the older people living alone, suffering hardship because of inadequate pensions and because their savings have gone long ago. They are soft targets, and they are subject to scams by phone, by letter and, sometimes, by e-mail.

Mr. Evans: This is a timely debate. Since we are talking about raising awareness, does the hon. Gentleman agree that financial institutions have a duty to protect their customers? They are only too ready to send us letters and communications about all the services that they sell, yet they are not taking responsibility for informing customers about phishing attacks and how to better protect themselves. Is it not about time that the banks and financial institutions took some responsibility for protecting their own customers?

Dr. Taylor: In an ideal world, yes. The huge problem is that I am beginning to distrust anything that comes from my bank by e-mail or mail. I am rather confused about the whole thing.

How do we get at ordinary people to warn them? Already, there have been lots of efforts at warning people on the internet and in the press, but a huge co-ordinated awareness campaign on TV, radio, press and internet is needed, so that few people can miss it and so that the elderly who do miss it can be warned by their relatives, friends, home helps or visiting nurses. I would hate to invent yet another special day, much as I would hate to invent another all-party group, but we could have a scam alert day—SAD—because it is sad that we need it. What day could we have that on? What is the saddest day of the year? It is the first Monday after the new year holiday. Monday is always sad, so scam alert day should be the first Monday in the new year.

When such a day is launched, a slogan is needed. In the 1700s, Lord Chesterfield had the slogan

"ridicule is the best test of truth".

We have the modern equivalent of that already—although I did not invent it. That slogan is, "If it's too good to be true, it's not true." We must blazon that abroad.

I think, Mr. Cook, that you are nearly as ancient as I am, so you will remember various slogans from the war that will never be forgotten—for example, "Coughs and sneezes spread diseases" and "Careless talk costs lives". Why do we remember them? Because they were associated with a brilliant cartoon. On scam alert day, we need a huge cartoon to be launched with the caption, "If it's too good to be true, it's not true."

If hon. Members will allow me a moment of levity, I shall describe the cartoon I would draw—if I could draw. The cartoon would be of Pinocchio, who was caught by a terrible scam, promised all sorts of goodies and went to the land where they were turned into donkeys. However, he had a conscience—Jiminy Cricket—who was a beautifully dressed cricket with a big badge saying "conscience". My cartoon would have a picture of Jiminy Cricket lecturing Pinocchio and saying, "If it's too good to be true, it's not true."

I really think we could do something to tackle this problem. Like Barack Obama walking towards the impossible dream, if we could raise the awareness of these scams so that people no longer take them up, in the words of the South African author Bryce Courtenay, we could

"dream the impossible dream and start walking towards it".

9.52 am

Dr. Ian Gibson (Norwich, North) (Lab): It is a delight to see you so early in the morning, Mr. Cook, and to be under your tutelage. I congratulate my hon. Friend the Member for Wyre Forest (Dr. Taylor) on raising the issue. Like him, I passionately use the internet and could not exist without it; we google for Britain daily. We learn a lot from the internet, but the downside of it is the scams that take place, some of which he has described. I shall discuss some of medical scams that take place and are a problem.

The first scam I shall talk about is the genetic health warning. I have had permission to do so from Professors Clarke and Frayling, who have not published the information yet—although it is in the process of being published. They are both at the Institute of Medical Genetics at Cardiff university and are very senior individuals. Professors Clarke and Frayling talk about a recent TV programme "The Killer in Me", which showed four celebrities carrying out a battery of genetic tests.

The website of the company Genetic Health states:

"Genetic Health has proudly partnered with ITV for a one off...documentary".

The information produced by Professors Clarke and Frayling states:

"These tests, it was claimed, would indicate the susceptibility of each individual to a set of the common, complex degenerative diseases of today including heart disease, diabetes, Alzheimer's dementia, osteoporosis and some of the common cancers."

They take issue with the programme because it is accessible on the internet. Their argument will come out and will I am sure be on TV again. Some of the seductive techniques used to do the tests are exemplified in their paper, which also takes issue with

"the misrepresentation of what the test results could mean to the clients; the active promotion of the tests despite the evident doubts and uncorrected misconceptions of the 'customers'; the qualifications and conduct of those undertaking the face-to-face marketing".

The paper asks:

"Is it acceptable for a registered medical practitioner to front a company offering health-related services?"

Quite clearly, the professors' point is that we have a professional organisation of genetic centres in the national health service through which thorough testing is carried out. People's permission and consent to do so is obtained and they are advised and informed statistically and in other ways what the chances are that they have a genetic disease. No attempt is made to fool people in the way that this company is by saying, "You're going to get dementia; you'd better do something about it." We could guess what kind of advice the company gives people: a change of diet, stop drinking alcohol and start walking or running. People pay £100, £200 or £500 for that advice.

I shall refer to some of the other scams I have pulled off the internet. One is www.cancure.org. That website offers conventional tests and it has been said that it makes wildly exaggerated claims about cancer. The website states:

"Anti-malignin antibody screen test is designed to pick up cancers well in advance of other signs and symptoms, months before conventional medical tests can detect it."

The website has a wonderful way of getting out of the problem if the tests do not work. It states:

"However, for advanced cancer, if the antimalignin antibody is wiped out"—

whatever that means—

"the test won't work."

I have looked at the 17 papers on the substance malignin—they have suddenly dried up. The most recent publication gives a sensitivity of 59 per cent. and 62 per cent. as a test for breast cancer, compared with internet claims that false positives are 5 per cent. and false negatives 7 per cent, which are quite striking levels. The same information is listed in relation to prostate and bowel cancer tests. Again, the website gets out of it by saying that the tests are not 100 per cent. accurate, but that it is as good as it gets. There is no mention of going to see a GP or using the national health service to get an accurate follow-up or advice and counselling.

[Dr. Ian Gibson]

The same problems exist in the field of allergy testing. I will not go into it in great detail, but food allergies can be detected in almost anybody. Again, get-out clauses exist, stating that there could be a false positive or false negative. The information is very misleading when taken in complete isolation. I am sure that many hon. Members have been asked to take a blood sample by doing a finger prick test. The finger is pricked with a lancet; the sample is put in a tube and sent off. It is difficult to do that; getting blood out of a finger—I was going to say stone—is not as easy as it sounds. All sorts of things can go wrong—for example, there could be an infection or dry skin could mean that the blood drops do not form properly.

Tests on two particular enzymes are also available to locate certain types of damage. Those enzymes are traditionally used in the national health service as well, but they are only good for identifying certain kinds of liver problems; they do not identify tumours and so on. Again, that means that someone is given a false reassurance that everything is fine with their liver and that they can go away happy, carry on drinking and do what they want and they will not get cancer.

The problems mean that these tests will not necessarily give someone an accurate diagnosis. So I ask hon. Members why people do not go to their GP, instead of sending a company a cheque for £100 to £500 for doing these tests. These scams go on all the time. Why are people conned into having these tests? They are worried, they think there is a problem, and so they see an advert or something on the internet and say, "I'll have a look at this because it's too long to wait for a GP to do it."

David Taylor: These scams are perpetrated not just on bogus sites, but on highly reputable sites, such as eBay. That has 20 million items for sale and some 200,000 items will be added in the next hour and a half. Thousands of scams are linked to eBay and people are trying hard to combat that. Leicestershire is in fact the third worst area in terms of scams that have been detected. Does my hon. Friend believe that organisations such as eBay and the authorities should work together more intensively to promote the training of police officers to assist with the detection of awful incidents of this kind?

Dr. Gibson: I thank my hon. Friend for that intervention. Of course, that is what has to happen; these scams have to be wiped out. At certain times in their life, people feel vulnerable. People look for the evidence in relation to scams and if it is scanty, false or not proven, it is criminal harm to perpetrate these frauds and lies that affect people's lives. I am sure that many people whose health has been affected in this way keep quiet about it. The labs that do the work and the advertising on the internet are not accredited, and we all know that labs have to win accreditation certificates in the national health service. There must be proper processing, and the confidentiality of results must be assured. However, there is no way to be assured of the accuracy of the results that people receive from the organisations that we are discussing. They have an amazing turnaround time of 10 days. Hard-working NHS labs can do things in as little as 20 minutes if they are urgent or within 24 hours if they are routine.

People do take responsibility for their lives. They think that they have to do that. They are continually being told, "You must take responsibility for your health" and "Don't bother the GP," so of course when they are having those problems, they turn to the internet. There are other types of testing that I can mention. There is dietary testing and food allergy testing. It is possible to have pregnancy tests done as well. All sorts of sampling can be done on the internet, and all those things are fully provided by the NHS and easily available.

Many aspects of the labs carrying out the testing need to be examined. A recent court case involved a Harley street doctor who was carrying out IVF—in vitro fertilisation. He was untouchable for some time by the Human Fertilisation and Embryology Authority. The authority took it upon itself to raid him and there was subsequently a court case. Plenty of that is going on.

For every aspect of people's health, there is an internet site and a company operating in the way that we are discussing. Whether it is headaches, migraines, tiredness, fatigue, weight problems, eczema, psoriasis, asthma, catarrh, sinus congestion, digestive disorders, anxiety, ME or depression, people can have a test for it if they want.

With all this testing for allergies and so on, I am thinking of going into business myself. I have thought of the perfect website. On it, I shall offer a genetic test for gullibility. I shall ask people to spit in a bottle and send it off to me with a cheque for £500. Two weeks later, they will receive a letter telling them exactly how gullible they are.

10.2 am

Mr. Nigel Evans (Ribble Valley) (Con): I congratulate the hon. Member for Wyre Forest (Dr. Taylor) on securing this timely debate. He spoke about having an internet scam or fraud awareness day once a year. I suspect that we should have them once a week, along with the gullibility test that the hon. Member for Norwich, North (Dr. Gibson) spoke about, because much as we think that people should use common sense—"If you haven't bought a ticket, you haven't won a prize"—many people out there are fairly desperate. The hon. Member for Wyre Forest gave a perfect answer to my intervention in that respect. Those people are looking for an answer, and an easy answer is to take a prize even though they did not enter the draw for it.

Both hon. Gentlemen spoke about health, and slimming is another issue. For people who want to carry on eating what they like and doing no exercise whatever, there will be someone who claims that they can sell them a slimming solution for $500. Clearly, there is a need for the gullibility test again.

Bob Spink: The hon. Gentleman is aware, though, of the way in which phishing works. If 1,000 e-mails are sent out claiming to be from Egg or HBOS, one or two of the recipients will have Egg or HBOS accounts—or have bought a Spanish lottery ticket—and those are the people who are caught. It is not just the gullible people whom we have to watch; it is everyone. I receive about three such e-mails a week. Thankfully, I have not yet had one claiming to be from my own bank.

Mr. Evans: I thank the hon. Gentleman for that intervention. He is absolutely right. I am chairman of the all-party group on identity fraud and I know the issues only too well. We had ID fraud week a couple of weeks ago, which was about trying to raise awareness of such scams.

I loved the cartoon in this morning's *Metro*. Barack Obama is standing in front of an American flag before thousands of adoring, cheering people, his arms out, and his first words on hearing that he has become President are, "What now?" That is perfect. What now? Well, the answer is that he has a lot of work on his hands. In the United States of America, phishing attacks cost $2.8 billion in 2006 alone, whereas in 2004 it was $137 million. That shows the rise in such attacks in a short time. The hon. Member for Castle Point (Bob Spink) is absolutely right; the attacks are aimed at hitting only one or two of the 1,000 people who are sent the e-mails. I am in receipt of loads of those e-mails, which are incredibly professional. When you open one, it looks as though it has come from HSBC.

Bob Spink: Are you saying you open them?

Mr. Evans: Well, one does not know when one receives those e-mails. When I open the initial e-mail and it is from HSBC telling me that unless I fill in certain details my online account will be closed, I am a bit worried because I do not have an account with HSBC and I think that it is awful that the people at HSBC are going to close that account that I do not have with them, so I do not respond. However, I have had such e-mails from other banks with which I do bank, and that is the problem. They are professional and they use the logos that the banks use. They even, because the people responsible have a lot of brass neck, tell the recipients what to do to protect themselves from internet fraud. They tell people measures that they should take to protect themselves, because they are out to rob people's money and they want to do things as professionally as they can.

I cannot say to people in this case, "How gullible can you be?" The people responsible want bank details and passwords. The people who respond think that they are sending the information to the bank, but it is redirected to the scamsters in Nigeria or wherever they are operating from. Nigeria, for whatever reason, seems to be a growth area in this business. Those involved only need 1 per cent. of people to answer. They can rake in millions of dollars from that small percentage.

I am amazed that people still respond when they receive an e-mail from someone whom they do not know in Nigeria who says that their husband has died and they wish to give them 10 per cent. of $150 million if they will help them to move the money. Let us say that I receive such an e-mail. The idea is that I help the person to move their money from Nigeria into my bank account. Then I give them the money minus 10 per cent., which I am to keep. I do not know those people, but they are trusting me to do that operation. Again, a gullibility test is needed. How stupid can some people be that they respond to those e-mails? However, the fact is—the hon. Member for Wyre Forest was right on this—that there is a small group of people out there who are vulnerable, trusting and, in some cases, desperate. They need money.

I have recently looked at boiler room fraud activity. I have seen letters from people who only wanted to get a bit of money to make their family secure, so they invested in worthless shares that were sold to them as a result of telephone calls from people whom they did not know.

David Taylor: The hon. Gentleman refers to Nigeria as the source of a good number of these crimes. Of course, there are other countries where they are also common. Does he agree that as a gesture of good faith, our Government ought to be working more actively internationally and that, in addition to signing the international treaty on the combating of cybercrime, which happened in 2001, it is high time that we ratified it and started to put more political clout behind that international campaign?

Mr. Evans: I am more than happy to be the conduit for that message to be passed on to the Minister, who I am sure, as he is writing his notes, will give a full and frank explanation as to when the treaty will be ratified. What has been said is absolutely right. We live in a global world. We see from the financial crisis that something that happened in one part of the world has affected everyone. The same applies to internet fraud. There are groups of people operating. For some reason, there is boiler room fraud in Spain. Groups of people there are trying to suck people's money away using the telephone.

Part of the problem is that chip and PIN, which was introduced a few years ago, has been so successful at stopping people stealing credit cards and taking money in that way that the fraudsters have moved on to the internet and telephones. That fraud has gone up as fraud from stolen credit cards has gone down. There is still a problem with credit cards. Scams are still operating whereby people install software or a little camera and are able to work out people's passwords. Yet people still use the same password for up to six cards. People are still afraid to put their hand over the chip and PIN keypad when entering their four digits, yet that is exactly what they should do. Even when at an ATM, they should put their free hand over the keypad in case there is a hidden camera above it. It is even possible that something has been installed inside the machine; everything may look all right but the purpose is to skim information off the card and to use it later. Chip and PIN has been effective; as a result, much more fraud is happening on the internet and the telephone.

I return to something that I said in an intervention on the hon. Member for Wyre Forest. When financial institutions send out statements or bits of information, or ask us to borrow yet more money, or to take out insurance or whatever else they are selling, for goodness' sake, they should shove in a bit of paper to tell the customer about the latest scams, such as boiler room fraud.

I have never received any information from my bank telling me to watch out for phishing attacks. However, many people simply do not know what phishing attacks are all about. If they have not been warned by their banks or the credit card companies, why should they be on the lookout for them? They may think it a bit odd now and again to receive an e-mail from another bank, one that they do not deal with, and they probably say to themselves, "Oh well, I've been sent that in error." The fact is that people need to be told.

[Mr. Evans]

Awareness of scams is limited, and there are always new ones. As one scam is closed, the fraudsters are already thinking of the next one. There is no final victory. We need the financial institutions and the Government to tell us all the time what is going on.

Bob Spink: The hon. Gentleman has mentioned various scams. One scam has not yet been discussed. Phishers from other countries will sometimes try to develop a personal relationship with the recipient of an e-mail, eventually agreeing to come here to meet that person—probably a vulnerable person—but on the way to the airport they have a crash and are taken to hospital. They then say that they need money to be sent to them immediately so that they can get out of hospital and come over here—or some such heart-rending story. Those are the more sinister and awful scams. They play on people's relationships and emotions.

Mr. Evans: I had not heard of that. That is a new one, and people should be made aware of it. We are talking about vulnerable people, but the perpetrators are callous and do not care. They do not care that an 80-year-old lady will lose her life savings. All they want is her money. I have been told of people in hospital being sent flowers by fraudsters in order to get more money from them. How callous can they be? Yet that is exactly what they do. That was a good example of a scam—one that I have not heard of before.

I believe that the onus is on the Government, working with the financial institutions, to run an advertising campaign. I cannot remember the last campaign on ID fraud. Capital One, in trying to sell its credit cards, now and again says that one can take out protection against ID fraud. How about the Government working with the financial institutions in running a proper campaign? Given the credit crunch, this is a time when everyone's awareness ought to be raised, because a lot more people will be desperate for cash. We are coming up to Christmas and people will want to buy presents for their families. They may have lost their job or seen their savings being depleted, and they will be desperate for money. This is the time when people ought to be aware that others out there will be trying to get their money.

It has been suggested that we need to take an international approach, working with police forces throughout the world on intelligence in order to close such scams.

One case mentioned by the hon. Member for Wyre Forest was of a professional man—someone who ought to have known better but who, for all sorts of reasons, went ahead. Many of the letters that I have been shown by victims of fraud fall into that category. People say, "How come they fell for that? How come they parted with thousands of pounds to someone they did not know?" It happens because people are vulnerable, and if the fraudster gets them at the right moment they will part with their cash. In many cases, however professional people are, they do not believe that nasty people out there are quite prepared to steal their money.

Common sense is important. "Buyer beware" is vital on the internet, because whatever the problem, someone will be trying to sell an easy solution. Awareness is the order of the day. We cannot turn the internet back. Sales on the internet are huge, and we need to do a lot more to protect people from themselves, and from their own gullibility.

I make one aside. Financial institutions and the credit and debit card companies should invest far more in new technology. For instance, people using their credit cards to buy stuff on the phone are asked for the three digits on the back of the card or the four digits on the front. I know of one instance when the person taking that information used it against the person who owned the card. The number was written on a slip of paper and put in a pocket. The information was then abused. When buying items on the computer or even on the telephone, why cannot we slip the card into the mobile telephone or tap the numbers into the phone so that no one can hear the information that we have to give for the security check?

Internet fraud is on the rise. We have to do more to protect people. One thing that must be done is to ensure that people are far more aware of possible scams.

Frank Cook (in the Chair): Order. In the absence of further contributions from the Floor, I remind Members that we must terminate the debate at 11 o'clock. Forty-four minutes remain for debate. We now start the first of the three winding-up speeches. I appeal to the Opposition Front-Bench speakers not to exceed more than a third of that time each.

10.17 am

Tom Brake (Carshalton and Wallington) (LD): I congratulate the hon. Member for Wyre Forest (Dr. Taylor) on securing this debate, and on representing his constituents so effectively—a role which we all play as Members of Parliament.

For the purposes of this debate, I looked back to my debate on 5 December 2007, which was on the same subject. The Chairman on that occasion, the hon. Member for Caernarfon (Hywel Williams), took exception to the direction in which I took the debate. I was focusing on the fact that, a couple of days before, we had seen the loss of 25 million family records. I thought at one point, Mr. Cook, when you were leaning forward, that you were about to leap on the hon. Member for Norwich, North (Dr. Gibson), who was focusing on medical fraud and those who promote or encourage medical tests. I wondered whether you were about to call him to order for taking the debate in a slightly different direction.

I was fortunate in that previous debate to have been well briefed, thanks to the hon. Member for Ribble Valley (Mr. Evans), who is chairman of the all-party group on identity fraud. That group's work has informed all who have taken part in today's debate.

Hon. Members are familiar with the different types of internet fraud. Phishing has been mentioned, as has identity fraud, spamming and scamming. I would like to add another—spoof websites. I do not know whether other hon. Members have suffered from spoof websites. The one that I have in mind was a local site for Sutton's Liberal Democrats. When we clicked on the link, we found that the site purported to describe Liberal Democrat policy. Apparently, we were in favour of boiling babies, killing the first born and many other atrocious things.

Hon. Members will of course be surprised to find that the organisation behind that site was the local Labour party.

Hon. Members: The new Labour party.

Tom Brake: I give way to the hon. Member for North-West Leicestershire (David Taylor).

David Taylor: I am certainly not new Labour. The hon. Gentleman has raised an important point about political fraud. The hon. Member for Wyre Forest (Dr. Taylor), whose debate it is, used the slogan, "If it looks too good to be true, it's not true." The problem with that is that it includes virtually every Liberal Democrat "Focus" leaflet I have ever seen.

Tom Brake: I thank the hon. Gentleman for that intervention. When he sought to intervene on me, I am not sure that he intended to make that point—he clearly adjusted his intervention in an effective and immediate way.

One extremely good point raised by the hon. Member for Wyre Forest is that we could all be subject to internet fraud if we are not careful. Other hon. Members will have read the briefing for the debate, and will have been surprised or entertained to find that no less a figure than President Sarkozy had his bank account hacked into and sums withdrawn. He will no doubt be taking legal action over that, and I hope that he is successful. However, I am pleased to find that he was not successful in taking legal action against a firm that had produced a little voodoo doll in his shape. He took offence to that, principally because the manufacturers suggested that a life-size version should be produced.

I must move on to more serious matters. Hon. Members have mentioned different types of internet fraud. The statistics are alarming—we have had some from the US to allow the Obama link to be made, as well as statistics from the UK. The potential for internet fraud is huge. More than 15 million households in the UK have internet access and that is the pool in which phishers and others can work. In 2007, over 50 per cent. of adults purchased goods or services over the internet. A huge number of adults use the internet and the pool of potential victims is enormous. I will come shortly to a quote from a Minister, which I think underlines the scale of the problem.

Positive developments have taken place since I held a debate on this subject last December. Just over a month ago on 1 October, the Government set up the new National Fraud Strategic Authority. Its remit is to ensure that the criminal justice system focuses on the needs of victims. There should be stronger deterrents to fraudsters, greater public confidence in the response to fraud, and individuals and organisations should be given greater capability to protect themselves. In a press release announcing the new strategic authority, the then Under-Secretary of State for the Home Office, the hon. Member for Gedling (Mr. Coaker) said:

> "Fraud is a crime that is second only to the illegal drugs trade in terms of its impacts on the UK."

I shall return to that quotation in a few minutes.

The strategic authority has an interim chief executive. I hope that the Minister will say at what point he expects that position to become permanent, as that would give more strength to the organisation. The Government have also set up the police central e-crime unit. That will be operational by spring 2009, and perhaps the Minister will confirm that it is still on track. I know that appointments have been made to it, but it would be useful if he told us exactly how many officers will be based in that unit.

The Minister will be familiar with concerns that have been expressed about the level of funding available for the unit. We should bear in mind what the then Under-Secretary said about fraud as a crime being second only to illegal drugs, and hon. Members will have seen quotations from various other organisations. Gareth Elliott, policy adviser at the British Chambers of Commerce, said that establishing the police central e-crime unit was

> "a step in the right direction but £7 million does not seem like very much compared to the cost of cybercrime."

Mark Williams: My point is about businesses and the issue of responsibility that was raised by the hon. Member for Ribble Valley (Mr. Evans). A survey revealed that one in five employees share computer passwords and 63 per cent. of businesses do not restrict access to any website among their employees. That goes back to the point about the responsibility of the businesses themselves.

Tom Brake: All individuals and businesses have a huge responsibility. I cannot say that I have never allowed someone else to use my login. It happens, and we should try to stop it happening, but we are probably all guilty of not enforcing the right protective measures at some point. As someone who worked for 13 years in the computer industry before being elected, I should know better than most about the importance of maintaining appropriate levels of security. Concerns have been raised about how many resources will go into that unit, and perhaps the Minister could tell us precisely what level the fraud will be reduced by. Has the organisation been set a target that it must meet, and will the proposed £7 million be sufficient for the task? It would be useful to know whether online pharmacies will fall within the remit of the police e-crime unit. Will it have the necessary skills to address that specific and recent development in relation to internet fraud?

As part of the new approach, a national fraud reporting centre and intelligence bureau is being established, and there are similar questions about how many staff will be based in that unit, when consumers can start reporting fraud online and, critically, whether people will be encouraged to report all fraud. Until now, the Home Office has actively encouraged people to report fraud directly to their banks as opposed to the police, and the concern is that the level of fraud may be significantly underreported because banks and other financial institutions do not want people to know how vulnerable they are to that crime. Will the Minister confirm whether people will be encouraged to report all crime to the reporting centre? It may be too early to say, but what can people expect to happen once they have reported a fraud? Is the purpose of the reporting centre to accumulate statistics and identify trends, or is it expected that once fraud has been reported, action will be taken or the matter passed to the relevant police force, so that something concrete will result as a result of the report?

[Tom Brake]

A number of hon. Members have rightly pointed out that business has a responsibility here, as do individuals. It was suggested that financial institutions should take a more proactive approach in writing to their customers, highlighting concerns about fraud and making people aware of the latest scams. Perhaps the broadband companies could also do the same thing. People who use the internet will do so through a fixed line or a mobile phone, and telecommunications companies and those that supply broadband could also communicate with their customers on a regular basis to highlight how internet fraud is developing, what action people could take and what issues they should be aware of or worried about.

I do not want to go over my allotted time, so I shall draw my comments to a conclusion. Clearly, action is being taken, but there are concerns about, for example, whether the £7 million that will be put into the e-crime unit will be sufficient, and whether the unit will be sufficiently resourced to do the job in hand. I hope that the Minister will give us some comfort that it will be able to do the job that it is required to do.

10.30 am

James Brokenshire (Hornchurch) (Con): I add my congratulations to the hon. Member for Wyre Forest (Dr. Taylor) on securing this debate. It is timely, because there is insufficient awareness of the matters involved, not simply by the public, but by business and the Government. We shall make a difference only if all three aspects are properly addressed.

A report for the Association of Chief Police Officers estimates that all types of fraud costs the UK economy at least £14 billion and adds that it would be surprising if the true total was not higher. A separate US study estimates that the annual cost of internet fraud to the global economy amounts to $1 trillion. The threat is rising. Eight out of 10 major businesses were targeted by cybercriminals last year, and according to the police, e-crime is the most rapidly expanding form of crime in this country. One journal has even described cybercrime as "the new drugs."

A survey for the Government's getsafeonline.org internet safety website suggests that the public feel much more at risk of being a victim of online crime than of being robbed on the street, having something stolen from their car, or having their house burgled. According to the Association for Payment Clearing Services, internet and e-commerce fraud on credit cards was £223.8 million in 2007, which was up by 45 per cent. on the previous year. The number of bogus websites purporting to be those of genuine banks or financial institutions to entrap unwary customers is growing exponentially, and in 2005, according to APACS, there were 1,713. Last year there were 25,797, which shows the scale of the growth, which is continuing.

The online identity firm, Garlik, estimates that online financial fraud has grown by 20 per cent. in a year with more than 250,000 incidents in 2007. Business continues to be targeted with more than two thirds of the members of the Corporate IT Forum, which is made up of technology managers at the UK's largest firms, reporting increases in the amount of hi-tech crime committed against them.

We should not kid ourselves that this problem emanates from overseas. According to the US Internet Crime Complaint Center—IC3—the UK is the second biggest source of cybercrime behind the US, accounting for one fifth of all cybercrime, and as technology continues to change, the threats continue to change. A recent report on a new Trojan virus suggested that it had compromised more than 270,000 bank accounts and 240,000 credit and debit cards in the US, Australia and Poland, using a clandestine drive-by-download approach, which would not alert the user.

Some malicious software is even being offered to criminal networks on the internet with "non-detection warranties." We are seeing the development of an online black market with criminals buying illegal data from third parties on online data supermarkets, as well as sharing that malicious software. Cybercriminals are becoming much more organised in their approach with the Internet Security Forum suggesting that raids in the virtual world to steal personal information and customer data for financial gain and fraud are being planned like bank raids in the real world. The development of more targeted and specific, unsolicited e-mail phishing attacks incorporating stolen information on the recipient to give the fraud the air of legitimacy, and duping people who would not otherwise have agreed to confirm their banking details following a bogus request are also increasing. They even have their own title—spear phishing.

In its report, "Personal Internet Security" the House of Lords Select Committee on Science and Technology described the Government as having their "heads in the sand" over cybercrime. A senior police officer noted recently that British politicians

"don't seem to have an appropriate sense of fear"

about cybercrime, adding that

"we need to terrify, encourage or excite them."

Although there has been some slow movement by the Government since then, business is still not impressed, with 57 per cent. of technology managers at the UK's largest firms saying that they did not believe that the police would deal with hi-tech crime properly. David Roberts, head of the Corporate IT Forum, said:

"IT chiefs in UK PLCs don't think the government appreciates the scale of the cybercrime threat, the seriousness of the threat or how much it is costing."

He added:

"Business confidence in the Government's ability to help them fight cybercrime is at rock-bottom."

Tom Brake: Does the hon. Gentleman agree that the Government's approach, whether to identity fraud, internet fraud or the level of resources, is matched by their repeated failure to look after data properly?

James Brokenshire: The data issue is relevant, and I shall address it further and in more detail.

The online payment company, CyberSource, notes in its fourth annual UK online fraud report that

"the lack of interest from the police cited by many merchants seems to be encouraging fraudsters to be ever more bold. In many cases they will place orders with stolen credit cards and then wait outside the victim's house to collect the goods."

However, I welcome the Government's decision to adopt our policy of creating a special cybercrime policing

unit. The new police central e-crime unit, headed by Detective Superintendent Charlie McMurdie, is an important step forward, and I want to put on the record my recognition of his work over a number of years to highlight the issue and to develop strategies to combat online fraud. We should be under no illusion that the PCECU is a panacea; it is just one part of the solution. As we have heard, there are questions about how it is being resourced and what capabilities it will have, but it is an admission by the Government that they were completely and fundamentally wrong to get rid of the national hi-tech crime unit in the first place. The Government must do much more to deal with the growing threat.

I continue to be struck by the lack of any real urgency, priority or apparent willingness to obtain proper data on the true scale and nature of the problem, or to ensure that, once obtained, the information received is properly categorised, catalogued and analysed. Police databases do not currently distinguish between whether frauds are committed electronically or not, nor do Home Office and prosecution figures, so we do not even know how many criminals are being brought to justice for such offences.

We have made it harder for the public to report such crime and to provide the intelligence necessary to allow a strategic response to identified patterns of threat. The transfer of responsibility for receiving reports of online financial fraud from the police to the banks, which was introduced last April, was a mistake. What sort of message does it send to the public if, having reported an internet banking scam to the police, they are simply told to get in touch with the bank first? At best, it sends out a confusing message about the importance attached to cyberfraud. At worst, it suggests that the Home Office either cannot cope or cannot be bothered with such crime. It also builds even more inertia into a system already in desperate need of a jolt. If a report is received, the bank decides whether that information is reported to the police. It is then at the police's discretion to decide whether that report is recorded and, if it is recorded, whether anything is done about it. We must see what impact the new National Fraud Reporting Centre will have in bridging that gap.

However, the threats are not limited to domestic criminals; there are also sophisticated international criminal networks. It is therefore obvious that we need to work with our partners abroad. I welcome the lead taken by the FBI in Operation Botroast to combat illegal botnets, which are used to carry out mass spam and other attacks. It has also infiltrated criminal networks that buy and sell credit card details and bank log-in information through the DarkMarket website. The Serious Organised Crime Agency, as an FBI partner, played a role in that operation. However, international co-operation is not working as effectively as it should at all levels. As we heard, the British Government signed the European cybercrime convention in 2001 but, seven years on, ratification has still not taken place. Will the Minister confirm when ratification will be complete?

We have heard about data and, indeed, many frauds are now perpetrated using illicit information obtained through clandestine means. Business, all agencies and Government therefore need to raise their game. Certainly, on data security, the Government's record, to say the very least, is pretty poor. We are obviously all aware of the loss of Her Majesty's Revenue and Customs records, but in the past year, according to reports filed by different Departments, the Government lost the records of 30 million people. Recent information disclosed that almost one public servant is dismissed or disciplined every single day for data breaches and inappropriate use of personal information. That matters, because if the information gets into the hands of criminal networks, they will use it to perpetrate fraud on the unwary and unsuspecting, and to cause damage not only to individuals, but to confidence in the internet as a trade and business platform.

The public need better information and advice on how to take active measures to protect themselves. If they should fall victim of an e-crime, they need to be confident both that there is a clear way of ensuring that the information is reported, and that it will be acted upon. We called for the establishment of a fraud and cybercrime complaints centre, linked to an online safety and advice portal that works with industry, to draw together best practice and advice and provide the most up-to-date information. Of course we have getsafeonline.org, but it is not a dynamic portal. It is not updated on a regular basis using the information that comes through on emerging threats. It needs to be much more dynamic in that regard: it needs to be co-ordinated with reporting and policing, and in terms of getting information to the public.

The public need to know that their personal information will not be compromised and that they can take steps to protect themselves against identity fraud and the risk of other frauds that come from it. That is why we would impose legal obligations on financial services companies to report data breaches to the Information Commissioner and, if required by him, to notify their customers so that they can take steps to protect themselves. I also believe that education and awareness of the potential risks in the online environment need to be enhanced. That is why we would promote cyber safety and security as a core part of all information and communications technology training in schools and colleges in this country.

The Government need to raise their game on data security and to set an example. They are not doing that well enough at the moment. That is why we would create an offence of reckless handling of personal data by Government, making it a criminal offence for a Crown servant or Government contractor to lose personal data from their control. It is also why we would scrap the approach of creating ever-bigger databases that, rather than protect us, put us at greater risk of falling victim to fraud-type crimes. Storing all that data in one place produces a kind of honeypot effect. It attracts criminals who would use the information, which will have an impact if the data leaches away.

This country urgently needs to up its game. As CyberSource noted:

> "As long as criminals believe they can get away with committing fraud against online merchants, the problem will continue to grow to a point where it may challenge the competitiveness of the on-line model".

If the Government do not take cybercrime seriously, it would simply reinforce in the minds of the criminal gangs the idea that this country is a soft touch. If they think that, we are all more likely to be the next victim of internet fraud.

10.44 am

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): I congratulate the hon. Member for Wyre Forest (Dr. Taylor) on securing this debate and drawing our attention to this important issue. He has achieved at least his first objective of raising awareness of the matter. I am sure that all hon. Members are extremely sorry to hear about his constituent who was a victim of such distressing fraud. Unfortunately, the case that he recounted is serious but not unique. I also appreciate the comments of other hon. Members. They bring a great deal of knowledge and understanding to this important matter. Perhaps until the last contribution, there was a recognition that the problem is complex and that it will take more than Government to tackle it. The internet provides many valuable opportunities and benefits for law-abiding businesses and individuals but, unfortunately, some will always seek to exploit new technologies for criminal ends.

I anticipated that the hon. Gentleman would raise health-related issues, and I should like to respond briefly and generally to the points that he made. We want people to be able to order medicines from legitimate online providers. The Royal Pharmaceutical Society has introduced a local scheme for registered sites, and purchasers should look for the logo when buying their medicines. The Medicines and Healthcare products Regulatory Agency carries out enforcement action against illegal and unauthorised sites that operate in the UK, and works with international partners to tackle the threat to the health of the public. I shall go away and consider the points that the hon. Gentleman and my hon. Friend the Member for Norwich, North (Dr. Gibson) made and write to them—the latter took the point to another level altogether.

The hon. Gentleman raised the issue of an awareness campaign. We have awareness campaigns across Government, and I shall give some examples and say what we are already doing later. As I said, I will take his ideas on the matter away and consider them.

The story of how the crimes come about has been recounted by many people. E-mail provides criminals with the opportunity to target many thousands of people in the hope that some of them—it takes only a small minority—fall victim to promises of unexpected entitlements or prizes, such as foreign lottery wins. The fraudster often maintains that before the prize or entitlement can be released, the victim must pay a series of charges. Sometimes, fraudsters claim that they are demanding Government-imposed levies, such as a customs fee from HMRC or money for an anti-terrorism certificate from the Home Office. As in the unfortunate case we have heard about, they produce professional-looking letters that purport to come from Departments in an attempt to convince the intended victim that they are genuine.

Victims often become embroiled and lose a great deal of money before the scam becomes apparent. Worse, they may also find that they are at risk of identity theft if they have provided personal financial details to the fraudster.

Mr. Evans: We have spoken about the fact internet fraud is one of the fastest-growing crimes, not only in the UK, but the world. However, there could be an element of under-reporting to the police, because some people who have been victims of scams, when they come to their senses, think, "How stupid I have been." They are embarrassed to report the crime to the police. Does the Minister accept that every victim should put their embarrassment to one side and report crimes so that the police at least have more leads as they try to tackle them?

Mr. Campbell: That is a fair and important point. It reflects the subtle nature of fraud crimes. Somehow, people feel that they have brought it upon themselves and are reluctant to report it. People have been reluctant to report other crimes, but when they realise that there are sanctions available, that action will be taken and that the Government and others are interested, they get increased confidence and come forward. Our obligation is to demonstrate that those things are in place.

One thing that complicates matters for the Government is that many frauds are committed by criminals resident outside the UK. That presents difficulties of identification and investigation for law enforcement, and often means that victims are unlikely to get back their money. The Office of Fair Trading formed its scambusters team to address mass-marketing fraud. It cannot investigate individual cases or get money back for consumers, but, by working with other organisations, it can disrupt fraudsters and shut down their operations. The OFT's Scams Enforcement Group brings together a number of law enforcement agencies, including trading standards and other partners, and focuses on law enforcement, consumer education and disruption of scammers' routes to market.

The OFT also runs a scams awareness week every year. I shall refer to other awareness weeks later in my remarks, but I want to say now that it alarms me that someone as knowledgeable as the hon. Member for Ribble Valley (Mr. Evans) is not aware of that. That is not a criticism of him, but of the way in which the event is run. I will take that point away with me and consider it further.

The hon. Member for Castle Point (Bob Spink) mentioned the Economic and Financial Crimes Commission, the Nigerian law enforcement agency. I want to confirm that we work closely with law enforcement agencies in different countries, including the EFCC. A number of hon. Members inquired about the convention. I can confirm that we will begin the formal parliamentary process to ratify it by the end of this month, with full ratification, subject to parliamentary approval, by the end of January 2009.

Tom Brake: For the benefit of hon. Members, will the Minister explain why there has been such a long delay? Have there been specific issues that the Government have had to address? What is the reason for the length of time it has taken?

Mr. Campbell: When Government seek to sign up to treaties such as this, there are always a number of complex issues. I do not know the exact answer to the hon. Gentleman's question, but I will consider the matter and contact him later.

Advance fee fraud is just one form of fraud that can be enabled by the internet. Criminals often use the internet to carry out card-not-present fraud. They use stolen card details to purchase goods or services over

the internet, and they also commit online banking fraud through the sending of e-mails that attempt to trick online banking customers into releasing personal financial details. I want to confirm to hon. Members that the Government take such fraud very seriously because it is a serious criminal matter. However, it is a notoriously difficult area in which to gather information. Robust pieces of research suggest the level of that fraud. A recently published report commissioned by the Association of Chief Police Officers suggested that, overall, fraud cost a minimum of £13.9 billion per annum. The OFT estimated that in 2006 UK customers lost around £3.5 billion to scams. The most recent annual card fraud figures published by the payments industry showed that total card fraud losses in 2007 amounted to just over half a billion pounds. Behind those figures is a victim facing a loss. At the minimum, they face distress and inconvenience and, in some cases, they face financial and personal ruin.

The Government have allocated £29 million over three years to implement the national fraud programme. That includes the creation of a National Fraud Strategic Authority, which was launched earlier this month. The authority will provide a strategic focus and mechanism for counter-fraud activity. It will develop and co-ordinate the delivery of a national fraud strategy, engaging stakeholders from across the economy. I was asked about the appointment of a chief executive. I can tell hon. Members that interviews will be held shortly, and we hope to make the appointment by the end of this year. The work of the National Fraud Strategic Authority is also overseen by a cross-departmental ministerial group, which I chair jointly with the Attorney-General.

The national fraud programme also includes additional funding for City of London police to take on a new national lead force role, offering assistance to other forces and establishing a centre of excellence to co-ordinate training and best practice. That expands the City's lead force status for fraud in the south-east, for which the force has received additional funding from the Government and the Corporation of London since 2004-05.

A national fraud reporting centre, expected to go live in 2009, will also be established. It will radically streamline the way in which the public report fraud—including fraud committed over the internet—to the police. A promise that the police will investigate every fraud reported to the centre would probably be way beyond the resources of any law enforcement agency anywhere in the world. None the less, the centre will provide a powerful intelligence tool to law enforcement agencies that will help them to target available resources in areas in which they have the best chance of success. It will also help to form the basis of better prevention advice and alerts to fraud threats for business and the public.

Tom Brake: The Minister may not be able to deal with this matter immediately, but if people report fraud to this centre, they will be concerned if they do not see any action. Will the Minister make it clear what people will be entitled to if they have made a report to this centre?

Mr. Campbell: The hon. Gentleman raises an issue that is pertinent not just to this debate but to policing in general. We are working with police forces to consider ways in which we deal with crime in general. We are looking at what the public can expect by way of standards and follow-up when they engage with police forces. I caution anyone against thinking that simply because they report a fraud there will necessarily be some action and a result at the end. I am sure that the authorities will do everything that they can, but I do not want to hold out false promise. The standard of service that people can expect is a fair point to make.

In addition to the national fraud programme, and in recognition that fraud committed through the internet requires specialist attention, we are also setting up the police central e-crime unit, which will be based in the Metropolitan police, to tackle electronic crime, and specifically fraud. The unit will act as the central unit for the police on promotion of standards for training, procedure and response to e-crime. It will bring together forces, the National Policing Improvement Agency and other groups to develop training and to co-ordinate activity to build up the skill levels within policing. There has been criticism about the amount of money that has been put into the unit. Let me explain to the hon. Member for Hornchurch (James Brokenshire) that this is not the only unit that will be seeking to tackle fraud. The important thing is that the unit will be working with other police forces that have a funded capability. The figure that the hon. Gentleman quotes is not the end of the story. We are working on our targets, but it is a bit rich to ask where the targets will be when we are under a great deal of pressure not to have targets. Of course we want the unit to succeed and we will be working with it to ensure that it does. We are looking to recruit staff at present. As they will be specialised, I cannot give any numbers.

Mr. Evans: Clearly, the initial amount of money may not be enough, and the Government may need to look at that again. Will the Minister say something about the responsibility of the financial institutions themselves because they need to do a lot more to protect their customers?

Mr. Campbell: In many respects, the Government agree with the recognition by the House of Lords' Science and Technology Committee that the problems facing us in making the internet safe cannot be addressed by Government, or any other group, alone. That is why we seek to bring together lots of different agencies and the industry. The industry has a responsibility as well. A joint get safe online week takes place and is supported by both the Government and the industry. We work closely with industry to identify ways of preventing fraud. Something that is not well known is that the Home Office works with industry on designing out crime. We work with a range of designers to see how we, and other areas in industry, can learn the lessons. I am sure that there is greater scope for more work in that regard.

Seasonal Agricultural Workers Scheme

11 am

Hugh Robertson (Faversham and Mid-Kent) (Con): Welcome to the Chair, Mr. Cook. I thank the Minister for giving up his time to respond to this short debate on the seasonal agricultural workers scheme. Although it is a little late, I welcome him to his new post and wish him well in what I think everybody would agree is one of the most challenging posts in Government.

I asked for this debate because I represent a constituency where fruit farming is the dominant type of agriculture. Kent is a county whose reputation as the garden of England is defined by its fruit farms, and I made my maiden speech on the subject when I entered the House in 2001. Since that time, I have served as secretary of the all-party group on the fruit industry, so this debate is taking place on behalf of the wider fruit sector as well as my own constituents.

However, it goes a great deal further than Kentish fruit farms. Since this debate was announced, I have been approached by many colleagues representing constituencies where other horticultural crops are grown. My concerns today are shared by, among many others, my hon. Friends the Members for North-East Cambridgeshire (Mr. Moss) and for Boston and Skegness (Mark Simmonds), who support this debate, and my hon. Friend the Member for Mid-Worcestershire (Peter Luff), the Chairman of the Select Committee on Business, Enterprise and Regulatory Reform, who reports similar concerns among his constituents who grow salad, legume and asparagus.

Given the timelines involved in the proposal to end SAWS in 2010, this is an opportune moment to raise concerns, as the Minister has the opportunity to take action now to prevent a disaster a year or 18 months hence. He should be in no doubt that it is a serious and genuine problem and not just the standard Westminster Hall whinge. I know of three growers in my constituency who have had to let crops rot in the ground as a result of labour shortages, and the problems caused by the abolition of SAWS were the dominant topic of conversation at the national fruit show three weeks ago.

The National Farmers Union's seasonal labour survey for 2008 showed that a staggering 61 per cent. of respondents claimed to have lost income as a result of labour shortages, of which 58 per cent. was directly due to crops that could not be harvested. In effect, the crops were simply left to rot in the ground. A further 30 per cent. of losses were due to crops that, because of labour shortages, were harvested so late as to be unsaleable by the time they reached the market. The best estimate for total losses this year is £8 million, but that figure is expected to rise dramatically in 2009, and the figures are almost bound to be a serious underestimate, as less successful growers tend not to respond to the survey in the first place and growers more generally are notoriously unwilling to admit to failing to harvest crops.

Before examining the issues, I hope that we can agree on three specific principles. First, fruit farming, like horticulture more generally, is an activity that we all ought to support. All growers are vital small to medium-sized businesses that feed other parts of the local economy on the farms where they are situated, such as packing and transportation. When we last debated this issue 18 months or two years ago, fruit farming accounted for 12 per cent. of agriculture in this country, or 19 per cent. if the effect of subsidies is disaggregated. The industry produces high-quality produce close to the marketplace and, crucially, is completely unsubsidised. The Government's healthy eating strategies, such as five a day, require UK growers to produce the fruit and vegetables necessary to make them work. In areas of top fruit farming, yielding fruit such as apples and pears, the trees also define the landscape. It is precisely because of fruit farming that Kent is known as the garden of England. Horticulture is an unqualified good thing.

The second principle is that, through successive Governments, SAWS has been a fantastic success for more than 40 years. SAWS is well managed by the operating companies and licensed by the Home Office, and all participating farms are carefully monitored. All participants in the scheme are genuine students, the money that they earn is taken home and invested in economies less developed than ours and, crucially, the abscondence rate is tiny. Many who come here as SAWS students go on to have successful agricultural careers in their own home countries; indeed, at the time of our last SAWS debate two years ago, the Polish Minister of Agriculture was Thomas Kowalski, who is an ex-SAWS student. In short, it is a fantastically successful scheme that should be nurtured and encouraged, not closed down.

The third and final principle, which is crucial, is that this is not an immigration and asylum issue. Participants are not looking to earn the right to stay here or to disappear into the black economy. It is a seasonal labour programme in which students come here on a work visa to gain specific agricultural experience relevant to their studies, earn some money and then go home. It makes no contribution to the more general immigration and asylum debate.

Mr. Malcolm Moss: (North-East Cambridgeshire) I congratulate my hon. Friend on securing this important debate. Does he agree that SAWS is a well-tried and tested system in which seasonal workers do not place pressure on the housing market or impinge on the benefits or schooling systems? As he rightly says, it is not to be confused with migration and immigration issues.

Hugh Robertson: My hon. Friend is absolutely right. I thank him for that intervention. That is exactly the issue. SAWS workers come to do a specific task for a specific time, benefit hugely from the experience and then go home.

So what is the problem? At its peak in 2004, 25,000 students visited the UK through SAWS to work on our farms, earn money to take home and learn about our language and culture, as my hon. Friend said. The Government's investigation into the matter, the Curry report, recommended that the number of places on the scheme should be increased to 50,000, or double that peak. However, despite that, the Government have committed to abolishing SAWS by 2010, in the hope that the shortfall will be filled by EU workers, particularly those from A8 accession countries.

The problem with that is fourfold. First, as I understand it, all restrictions on A8 accession countries are due to be lifted by 2011. Britain—I shall be careful how I say this—is not necessarily the most attractive European

destination for unfettered migrant labour due to its climate, geographical isolation and associated higher travel costs. Worker registration scheme figures since 2006 support that, showing a downward trend in the number of A8 nationals coming to work in the UK in general and in UK horticulture in particular.

Secondly, there is a growing body of evidence that A8 workers are much more reluctant than SAWS students to work in horticulture. That is probably not a great surprise. They tend to filter away to less physically taxing jobs in the hospitality industry.

Thirdly—I would be the first to admit that this falls outside the Minister's remit, but it is part of the larger problem—the domestic work force is reluctant to work in horticulture. The problem is closely related to the structure of the benefits system, which discourages the unemployed from taking temporary, seasonal work.

Finally, the Home Office has implemented year-on-year reductions in the number of seasonal agricultural workers in the years preceding the abolition of the scheme in 2010. In short, all the evidence suggests that the idea of replacing SAWS with A8 accession country labour will lead to a serious shortage in the work force, which will cause crops to rot, as we have started to see this year, and growers and horticulturalists to leave the sector. That cannot be a good thing in an economic downturn.

The solution is relatively simple and is fourfold. First, horticulture desperately needs an increase in the size of the remaining SAWS quota to manage the downturn in migrant numbers from the A8 accession countries. That would bring much-needed business confidence to the archetypically labour-intensive sectors of horticulture, such as soft fruit, top fruit and salad vegetables, and would be an easy win for the Government. Estimates from the NFU suggest that the recommended quota should be 21,250 for 2009 and at least 25,000 for 2010, or back to 2004 levels. If the Government really wanted to make their name with the industry, they could also lengthen the amount of time a seasonal worker can stay from six to nine months.

The second and longer-term solution is that horticulture desperately needs a new points-based system, or PBS, that is compatible with SAWS, and which embodies all the pre-2007 elements of SAWS. It would be perfectly reasonable to include new criteria that respond to broader societal concerns about the wider immigration and asylum debate, although, as I said earlier, this is strictly not an immigration and asylum issue. Such a scheme could easily include checks on arrival and departure for participating students; responsibility for ensuring departure being devolved to the SAWS operators, with return agreements in place with source countries; a strong educational and cultural bias, so that participants improve their English language skills and develop an understanding of British culture; and an appropriate inspection regime, including, if necessary, standards of accommodation and other employment conditions.

I know from my own experience—every year that I have been an MP, I have visited fruit farms over the summer, where many SAWS students are employed—that many growers do all of those things already. They have a programme of cultural visits, English language lessons in the evening, and so on and so forth. Nevertheless, the industry should welcome an increase in standards across the board.

The third solution, and this falls outside the Minister's remit, is to channel more inactive British citizens into horticulture. The Government have recognised this problem with the 2007 Freud report, "Reducing dependency, increasing opportunity: options for the future of welfare to work". I absolutely support the central tenets of that report, which include: implementing well-designed unemployment benefit systems and active labour market policies; making non-employment benefits more work-orientated, and adjusting taxes and other transfer payments to make work pay.

The Spanish example of a fixed, discontinuous contract, which allows a worker to have a contract with a company but only to be paid when work is available, is also worth examining. Such a system would do much to encourage the unemployed, those claiming jobseeker's allowance and students to work in horticulture, and it would be an important element of any future solution to the problems that horticulture faces.

Finally, if I am being honest there are a number of solutions that horticulture itself needs to adopt. It needs to ensure that both horticulture in particular and agriculture more generally are attractive career options for younger people. Initiatives such as the Grow web portal, which is due for launch in November 2008, and the introduction of a land-based agriculture diploma are all hugely positive developments. However, the industry needs to do more, alongside the changes that I have requested of the Government, to alter perceptions of horticulture.

Mr. Moss: I am listening extremely carefully to the proposals for solving this problem that my hon. Friend is putting forward. As I understand it, an EU directive is behind this change to SAWS; it says that we cannot bring in workers from outside the EU if there are EU workers available to do the work. However, this is not just a problem for the UK. As I understand it, France, Spain, Germany and Italy all have similar problems. They seem to be getting round them by allowing quotas of non-EU people to come into their country to do this very important agricultural work. Is that idea worth consideration?

Hugh Robertson: My hon. Friend is absolutely right; such a quota would be a crucial plank of any new post-2010 agreement that would be put in place as a replacement for SAWS. It is very difficult to get an exact handle on all of these issues, but I am told that the problem is not so bad in countries such as Spain, because they are naturally a more attractive destination to students than the UK sometimes is, because of the greater travel costs to the UK and the climate here.

The Minister for Borders and Immigration (Mr. Phil Woolas): Spain certainly has a more attractive climate.

Hugh Robertson: Absolutely. *[Laughter.]*

In conclusion, I hope that we can all agree that we should support horticulture in general and fruit farming in particular. The availability of labour is a key component—in some ways, it is the key component—in the industry's success and future viability. Horticulture has been fantastically well served by SAWS under Governments of all colours for many years, but the scheme in its current form is due to end in 2010. All the early evidence suggests that labour from the A8 countries will not cover that shortfall.

[Hugh Robertson]

What I need to impress on the Minister today is that horticulture desperately needs some breathing time. That could be achieved by extending the life of SAWS, as it is currently constituted, and increasing the number of people allowed into the country under the scheme. That would buy the time necessary to agree a new replacement scheme, containing precisely the elements suggested by my hon. Friend the Member for North-East Cambridgeshire, and whatever changes are necessary to existing regulations here in the UK to encourage more British citizens into horticulture.

The point of this debate—apart from welcoming the new Minister to his post, of course—was, first, to alert the Minister to the problem and, secondly, to highlight in general terms, and I am the first to admit that I am talking only in general terms, a number of possible solutions that he can, hopefully, work through with the NFU, SAWS operators and the wider industry. The clock is ticking to 2010, but there is still time to find a solution.

11.14 am

The Minister for Borders and Immigration (Mr. Phil Woolas): It is again a pleasure, Mr. Cook, to serve under you today.

I want to start by thanking the hon. Member for Faversham and Mid-Kent (Hugh Robertson) for his kind words. He said that my post was one of the trickiest jobs in Government and I agree. *[Laughter.]*

I also want to say that the hon. Gentleman's contribution has highlighted exactly what the value of these short debates is. He said that his objective was to alert the Government to this problem and to put forward some solutions. I congratulate him, because he has done both those things. Having the detailed knowledge of a Member of Parliament who has a constituency involved in this sector is a godsend to a new Minister, alongside, of course, the information that the civil service professionally brings to my attention.

So I sincerely thank the hon. Gentleman for his comments today and I would like to suggest that the way forward, if he is amenable, is that we have a meeting, either with or without the NFU, which I want to meet in any event to discuss what the future of SAWS should be, because I think that the public would not understand what was happening if they saw that fruit and crops were not being picked and they would want the Government to provide a solution, within the remit of our wider policy.

First, I would just like to set out where we are on SAWS; I cannot answer all of the hon. Gentleman's questions today, as I will explain. I have some personal knowledge of seasonal agricultural working in my part of the world, not in fruit picking but in haymaking, where the local children—usually boys, but sometimes boys and girls—would be hired by the farmers to get their hay in. Our local rural economy was absolutely dependent on that practice. I am sure that others, later in life, have gone to perhaps more attractive climates to pick fruit; I think that it was grapes in the case of the hon. Gentleman. So, as I say, I have some personal understanding of this sector, but of course nothing like his experience. I understand that SAWS—the seasonal agricultural workers scheme—was established in the 1940s as both an agricultural scheme and a youth-orientated scheme, to promote cultural exchange as well as to provide farmers with seasonal labour.

As the hon. Gentleman will know, until recently SAWS participants were required to be full-time students and they were mainly drawn from eastern European countries and states from the former Soviet Union. The big change in January 2004 saw the scheme being administered by nine operators, who work under contract with what is now the UK Border Agency, to recruit participants and match them to farm placements. The scheme seems to be a labour exchange, really, which does its job.

The scheme works on a strict quota basis with participating farmers and growers allowed to employ a fixed number of overseas workers though the scheme each year. I think that there is some confusion among lay people, who do not have the hon. Gentleman's knowledge of the scheme, that the quota is a specific mix and match for the operators. Of course, there are people who can come in to this country outside of the scheme. So, there is some confusion. I hate to say that the press cannot cope with complicated issues. However, let me just put that comment about the scheme on the record.

The changes to the scheme started with the accession of the eight eastern European countries, plus Malta and Cyprus, to the EU in 2004. That led to the 2005 SAWS quota being reduced from 25,000—the figure that the hon. Gentleman wants to see reinstated—to 16,250, in order to reflect the new pool of labour that was available because of the A8 countries. Since 2007, of course, that figure has just covered Romanian and Bulgarian nationals, which the hon. Member for North-East Cambridgeshire (Mr. Moss) referred to.

While I am on this subject, I would just like to respond to the point that the hon. Member for North-East Cambridgeshire made about the EU directive in this area. I am advised that the relevant provision is article 14 of the accession treaty, which requires the UK "to give preference" to accession workers over non-EU workers; "to give preference" is the appropriate phrase, I am advised.

Mr. Moss: Like my hon. Friend I welcome the Minister to this rather tricky post that he has inherited. I thank him for his reply, but the issue is not that we have plenty of Polish, Latvian and Lithuanian workers. There are more in my constituency, probably, than anywhere in the country—working mainly in factories. We cannot get the same workers who are building a life for themselves in our communities to work on the land, particularly where the work is not just picking fruit but also vegetable crops such as asparagus and leeks, and others that go almost straight from the farm to the table, through the supermarkets. They are not interested in that seasonal work, particularly if more permanent employment is available. There is a shortfall, which is what my hon. Friend is trying to deal with.

Mr. Woolas: The hon. Gentleman is right. The world is getting more urbanised, if I may use that phrase. Highly intensive labour requirements in the rural agricultural sector mean that we do not have the pool of labour that we had in previous years and generations, and that is why it is incumbent on the Government to answer the

question that is being raised, and square the circle. I hope that the hon. Gentleman accepts that I understand that point.

To carry on with my explanation of the current situation, the changes that I have referred to—the A8 changes and the A2 changes, referring to Bulgaria and Romania—were made to reflect the enlarged EU labour pool and the fact that many of the countries from which seasonal migrant labour has traditionally been sourced have now joined the EU. As has been acknowledged, employers in the horticultural sector have benefited from the decision to open the labour market to the A8 countries. Not every EU country did that. There are restrictions, for seven years, I think, relating to European Union entry, that countries can adopt. However, now we are able freely to recruit from the A8 countries, with the consequence that those nationals no longer need to be included in the SAWS quota. That is exposing the problem that the hon. Member for Faversham and Mid-Kent brought to our attention.

As of 1 January 2007, to complicate matters further, Romania and Bulgaria acceded to the EU, allowing their nationals to move and reside freely in any member state. Romanian and Bulgarian nationals are subject to restricted access to the UK labour market while we continue to monitor the impact that the expanded EU is having.

In light of our obligations under European Union law, following a transitional period of one year, from 1 January 2008, the SAWS was restricted to nationals of Romania and Bulgaria. In addition, the requirement to be in full-time education was lifted, to open up the pool of available labour. That was of course a break with a tradition going back to the 1940s. I have referred to the principle of Community preference, which means that we cannot place restrictions on European citizens with free rights of movement to work, while at the same time continuing to admit workers of other nationalities who are subject to immigration control to the UK to do the same work. Nor would it be sensible for us to do so.

What are we going to do? That is where the hon. Member for Faversham and Mid-Kent has put forward some sensible points. I concur with him on his point about what he described as inactive British citizens. The welfare-to-work strategies must identify the relevant shortages. I agree with the hon. Gentleman's positive comments about the attraction of the sector to people. Work is being done on that, and more is needed. The hon. Gentleman raised two specific questions: the quota and the issue of six months to nine months for length of stay. We need to include those in our deliberations.

Wider immigration policy is of course relevant. The hon. Members for North-East Cambridgeshire and for Faversham and Mid-Kent have made points about differences in the matter of seasonal temporary workers. Ensuring that we can count people in and out is of course a central and powerful part, with cross-party support, of our reforms to the immigration system to give the public confidence and inform the authorities. I hope to be able to report to Parliament significant success in that area. Of course, however, I have already learned, if I did not know before, that there are many sectors and examples in which special cases are made. One must consider the overall situation. That is why we have the expert advice of the migration advisory committee, which is ably chaired by Professor Metcalf of the London School of Economics.

The committee exists to provide independent, transparent and evidence-based advice to the Government on where labour market shortages exist, and where they can be filled by migration. I am advised that the NFU has submitted its evidence to the committee, and that is important. The MAC has published its recommended shortage occupation lists for the UK and, within that, for Scotland, for use in tier 2 of the points-based system. That was published on 9 September. I recognise that the point that the hon. Member for Faversham and Mid-Kent is making was not included in that, so I am glad to say that we have now asked the migration advisory committee to turn its attention to the restrictions on Bulgarian and Romanian workers' access to the labour market, and the question of what impact the possible relaxation of the restrictions could have on the labour market. I am told that I am required to notify the European Commission about the issue by the end of the year. We shall consider the MAC's recommendations across Government in that light. Of course, it is at that point, to avoid what the hon. Gentleman described, I think, as a potential disaster, that we need to take decisions and adopt policies and strategies to anticipate future problems.

The hon. Gentleman began his remarks by saying that they would not be a standard Westminster Hall whinge. I have never taken any Westminster Hall debate as a standard whinge, but he is raising a matter that is very important to the sector, and to his constituents and many other hon. Members' constituencies. Changes and reforms are being made in immigration policy, based around the points-based system and the need to provide training, skilling and programmes to allow British citizens to fill skill shortages; nevertheless those policies need to recognise, as they do, that when shortages arise we can accommodate them where necessary through migration. That is why the advisory committee is so important and, if I may say so, why the constituency experience of Members of Parliament is important.

Hugh Robertson: I sense that the Minister is coming to the end of his remarks, and just before he does I want to thank him, for myself and my hon. Friend the Member for North-East Cambridgeshire, for his constructive and open-minded approach. We should very much like to take him up on his offer of a meeting. It sounds as if that would be most appropriate in the early part of next year, by which stage the report will have gone to the EU. I thank him once again for his constructive and helpful approach to the debate.

Mr. Woolas: That is very gracious of the hon. Gentleman. I do not, of course, know his part of the world as well as he does, but I worked there, and as a northerner discovering Kent I was overwhelmed by what a beautiful area it is. The industrial sector to which he has referred is hugely important to us. The issue that he has raised has wide implications, such as the debate about food miles and carbon footprints, which I engaged with in my previous job, with the help of my hon. Friend the Member for Llanelli (Nia Griffith); we cannot square those circles without a vibrant, prosperous British agriculture sector. That means that we must have labour. There is no getting away from that. Technology can of course make changes, but I have yet to see a machine that can pick strawberries as well as a group of students.

11.29 am

Sitting suspended.

Higher Education

2.30 pm

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I am delighted to lead this important debate, which I have been trying to secure for about six months. It could not be on a more appropriate day, following America's election of its 44th President, who will be the first African American to become the President of that country. Senator Obama has come from very humble beginnings, and that is what this debate is all about. I played a small part in the presidential election campaign, because I was over in St. Louis, Missouri, for super Tuesday. I was on the phone banks, canvassing for Senator Obama against Senator Clinton.

Frank Cook (in the Chair): Order. Viewing the hon. Member from the position that I hold at the moment, I find it difficult to understand how his part could have been a small one.

Jeff Ennis: I shall be very humble, and I shall not agree with you, Mr. Cook.

Senator Obama ended up winning Missouri by 50.1 per cent. to Senator Hillary Clinton's 49.9 per cent., and I feel privileged to have played a small part in those presidential elections.

I congratulate the Government on the progress on the widening participation agenda since we came into power. I fully support their target of having a 50 per cent. participation rate in higher education, which I hope will be achieved in the next four or five years. The Aimhigher scheme has been successful in getting into the less well-known secondary schools throughout the country and giving their students a flavour of what life at university is like. It has also linked some of our prestigious universities with schools and further education colleges across the length and breadth of England.

I am sorry to admit that the legacy of the mining and engineering industries in areas such as the local education authorities that I represent—Barnsley and Doncaster—means that we have no great history of children going to university. That is why we have some of the lowest staying-on rates in the country. There is no doubt that the education maintenance allowance that the Government are providing is making a big difference in my constituency in encouraging students to stay on.

In some of the more deprived communities that I represent, most of which are former mining villages, it is proving difficult to persuade parents to support their children in going to university. The Government always rightly make the case that parents need to be more involved in their children's education. However, in some communities, it is not just a question of involving the parents more; it is also about raising the profile of education in communities in general. It is going to take a long time—perhaps a generation—to achieve that change of attitude in the communities that I am referring to.

Bob Spink (Castle Point) (UKIP): I am grateful to the hon. Gentleman for securing this debate, which is one of the most important that we could have. He has mentioned the importance of the EMA in getting youngsters from deprived backgrounds to go down the higher education route. Is he aware that the EMA helpline, which helps such students and their parents to get that funding and encourages them into education, is not working at the moment? I have tabled a parliamentary question about that today. Does he think that the Minister ought to look into that?

Jeff Ennis: The hon. Gentleman makes an important point. If we are to reach the students whom we want to reach and get them to apply for EMA, it is important that the lines of communication are open. I shall be interested to hear the Minister's comments on that.

The difficulties that we have in the Barnsleys and Doncasters of this world have been recognised by local education authorities through enhanced education provision. In Barnsley, over the next five or six years we will close every one of the 14 secondary schools, amalgamate them and reopen nine advanced learning centres that will provide educational opportunities from 8 am to 10 pm, not just to students of school age, but to the community as a whole. That is Barnsley's radical way of tackling this problem, and it should be applauded for that. It is receiving £150 million from the Government to achieve that grand master plan over the next five or six years, but, more importantly, the council is speaking with its wallet and is providing an equivalent £150 million of funding out of its own coffers to achieve that plan.

Let me mention what is going on in Doncaster, which I also represent. I have only two secondary school pyramids in my area, one of which, Ridgewood school in Scawsby, is one of the few engineering specialist schools in the country. More than 20 engineering companies were willing to sponsor its specialist status because of Doncaster's long and proud engineering history. For example, the Flying Scotsman and the Mallard were built there. The other secondary school campus that I represent is Mexborough. We are currently finishing a brand new Mexborough comprehensive school building, which should be completed just after Christmas. That shows that the Government and local authorities are working hand in hand to try to change the life chances of people in deprived communities such as those whom I represent.

There are two main reasons why I have been trying to secure this debate for the past six months. First, I tabled a parliamentary question in the spring about the notional benchmarks for widening participation that universities should have set themselves. In April, I received a response to my question asking the Secretary of State for Innovation, Universities and Skills

"what information his Department holds on (a) the targets each member of the Russell Group of Universities has set itself for widening participation for students from poorer backgrounds in the last two years and (b) performance against those targets."—[*Official Report*, 23 April 2008; Vol. 474, c. 2078W.]

The statistics are quite alarming. In the last full year for which statistics on the Russell group are available, of the 20-odd so-called elite universities in the country, only three met their targets on widening participation. They set those targets for themselves, so the targets were not given to them by the Government. First, let me give a roll of honour to the best universities. The best was the university of Glasgow, which set itself a benchmark of 11.5 per cent. and achieved 16.7 per cent. The university of Liverpool had a benchmark of 12.2 per cent. and achieved 13.6 per cent., and the university of Sheffield, which is in my neck of the woods, set itself a benchmark of 10.5 per cent. and achieved 11.1 per cent.

I am sorry to say that a number of universities were well below the target figures that they set. The worst example was the London School of Economics, which set itself a target of 10.2 per cent. and achieved only 4.3 per cent. The second-worst performer was the university of Southampton, which had a target of 11.6 per cent. but achieved only 5.6 per cent. The university of Bristol, at which I got my degree, set a benchmark of 10 per cent. and achieved 5.2 per cent., and the university of Oxford had a benchmark of 8.8 per cent., but achieved only 4.6 per cent. Lastly, the university of Cambridge had a target of 8.9 per cent. and achieved only 5.3 per cent.

That is the scale of the problem that we face. Oxbridge still takes one third of all its students from the so-called 300 schools—the top 200 private schools and the top 100 state schools in the country. That shows that some of our top universities need to do much more to widen participation in their institutions.

Dr. Ian Gibson (Norwich, North) (Lab): Those are enticing figures, but is my hon. Friend able to break them down by subject—for example, medical studies? Would the situation be even worse in that case? He has mentioned that engineering was doing well in one place, so has he done the figures on that?

Jeff Ennis: I thank my hon. Friend for raising an interesting point. I do not have those statistics with me, but one example that I shall come to later is bucking the trend to which he has referred. One of the best practice models that I will mention is a medical school that is achieving some fantastic results, but I take his point.

On Oxbridge, there was an interesting article in *The Independent* entitled "Oxbridge 'miss targets' for state school pupils". It stated:

"Oxford and Cambridge Universities will fail to meet the deadlines for their pledges to increase significantly their intake of state school pupils, according to a study published today.

Both universities agreed with the Government's Office for Fair Access to reduce the proportion of independent school pupils they admitted in the next five years. Oxford vowed it would take 62 per cent. from state schools by 2011, compared with the current figure of 54 per cent.; Cambridge agreed to improve its proportion by the same date from 57 per cent. to between 60 and 63 per cent.

However, the study by the left-leaning"—

whatever that means—

"Institute for Public Policy Research, published on the closing date for this year's Oxbridge applications, found Oxford is likely to miss its target by five years, and Cambridge will not hit its until 2012.

Lisa Harker, the IPPR's co-director, said: 'Students getting three A grade A-levels at state schools are significantly under-represented at both universities.'"

I am sure that we all recall the case of Laura Spence, who was given a prediction that she would get five A grades at A-level in 2000 and was refused by Magdalen college, Oxford. Our current Prime Minister made a big point out of that at the time, and rightly so.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I seek my hon. Friend's assurance, which I am sure that he will give, that he is arguing not for a reduction of standards for children from lower social and economic backgrounds but for fair treatment for those with equal qualifications. May I remind him that Laura Spence got her doctorate from Cambridge university last week?

Jeff Ennis: I rest my case on that point. That shows how wrong Oxford university was. I am asking for a system that is fair to everyone. If my hon. Friend, who is the Chairman of the Select Committee on Children, Schools and Families, is telling me that a student who achieves an A* in history at Eton has a qualification equivalent to a student who gets an A* in history in a challenging school, I have some dispute with him.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I am listening carefully as the hon. Gentleman develops his argument. I hope that he will accept that the Laura Spence example is not a good one. All the medical student applicants to that college had predictions of the same grades as her, and it took in state school pupils who had had greater disadvantage but who perhaps did not have her publicist. Indeed, a report of the Select Committee chaired by the hon. Member for Huddersfield (Mr. Sheerman) made that clear, and I urge the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) to consider it. I shall return on another occasion to applications and success rates, which are critical to his argument about Oxbridge.

Jeff Ennis: The hon. Gentleman makes a very good point and defends his local university well. The fact of the matter is that all universities need to do more to widen their participation, and some need to do more than others.

The second reason why I wanted to secure this debate was to shine a light on best practice models. That returns me to the point made by my hon. Friend the Member for Norwich, North (Dr. Gibson). Models of best practice have involved adopting what has come to be known as positive action in widening participation. There are examples of positive action in a lot of universities, including a number of Russell group universities, among them colleges at both Oxford and Cambridge.

I wish to go into a little detail about what I regard as the best example of positive action at any university in this country: St. George's medical school, which is part of the university of London. It is best described in another article from *The Independent*, dated 25 February this year and entitled, "Students from poorer backgrounds 'catch up' at university". It reads:

"Students with lower A-level grades from some of the country's poorest performing schools do just as well as high flyers from the independent or selective sector in their degrees, according to ground-breaking new research.

The findings have been seized on as vindication by campaigners who argue that universities should embrace positive discrimination to help candidates from struggling comprehensives.

The study looked at students at St George's Medical School, University of London—one of the most prestigious medical schools in the country—where students from schools with low exam results can obtain a place with two Bs and a C grade pass, instead of the normal requirement of two As and a B grade pass.

All they have to do is show that their A-level results are 60 per cent. better than the average for their school.

It revealed that in their first-year exams there was less than a 1 per cent. difference—considered by statisticians to be insignificant—in the marks obtained by those with lower A-level grades when compared to those youngsters admitted under the standard route...Kenton Lewis, assistant registrar in charge of fair access at St George's, said: 'Without the scheme, the majority of these students would not have had the opportunity to study medicine. This is a clear indication that our innovative scheme has successfully widened participation without lowering standards.'"

[Jeff Ennis]

The article cites the case study of a student named Mojisola Giwa, who was originally from Nigeria. It reads:

"Ms Giwa, 22, could have been lost to medicine had it not been for the St George's initiative. She studied for A-levels at Newham sixth-form college in east London, so qualified for the scheme under which youngsters from poorly performing schools and colleges can obtain places despite not achieving grades as good as students from privileged backgrounds. She was offered a place at George's provided she got four B-grade passes, as opposed to the two As and a B traditionally demanded of candidates.

Ms Giwa's generation—she has a sister and two brothers—are the first from her family to enter higher education. 'If it wasn't for the St George's scheme, it could have been impossible for me to study medicine,' she said."

That is the type of scheme to which I am referring.

Bob Spink: Rather than refer to that as "positive discrimination", which is a pejorative term in a way, why do we not call it "looking for potential"? We have to acknowledge that kids can be tutored to get high grades in certain exams if there is enough money and time to throw at them, but some kids do not have that opportunity. Let us call it "looking for potential" rather than "positive discrimination".

Jeff Ennis: The hon. Gentleman once again makes a common-sense point. I did not refer to it as positive discrimination; it was referred to as such as in the newspaper article. I call it "positive action", which I think is along the lines that he suggests. The Minister might want to come in on this point at the end of the debate, but I think that it is illegal to have positive discrimination measures in such a matter. The hon. Gentleman will not hear me refer to it as positive discrimination.

The more detailed findings of the St. George's project will be published shortly, and I recommend them as suitable bedtime reading for heads of widening participation and student recruitment at all universities. It is no wonder that this June, the St. George's medical school project won the London education partnership award for professional contribution to higher education progression, and in October won the City of London special dragon award for social inclusion and received a special commendation in the *Times Higher Education* award for widening participation. This month, it is one of the three finalists in *The Guardian* public service award for innovation and progress in diversity and equality.

A National Audit Office report that came out in June confirms the point that I am trying to make about widening participation:

"Some progress is being made in encouraging under-represented groups to continue into higher education…But particular sections of society remain significantly under-represented and too little is known about the link between measures taken by institutions and any improvements in access.

The attainment of qualifications at secondary school is the principal reason for the difference in participation rates but social class remains a strong determinant of higher education participation. Women are better represented than men and those from non-white ethnic groups are better represented than white people. The National Audit Office has found that white people from lower socio-economic groups are the most under-represented group in higher education institutions."

I know that my hon. Friend the Member for Huddersfield, (Mr. Sheerman) who is the Chairman of the Children, Schools and Families Committee, agrees with that point, which resonates with some of his Committee's reports. The report continues:

"There are also significant variations between academic institutions in how good they are at widening participation. In 2006-07, one sixth of institutions made less progress than expected in recruiting students from areas with low participation. Those that became universities post-1992 generally do better than the Russell Group universities."

I am running short of time, but I would like to make the following brief points. I would like the Minister to touch on three matters when he sums up. First, I would like to tease out his impression of the difference that the Office for Fair Access is making in the widening participation debate. I know from my spies in the higher education sector that sometimes it is perceived as too close to, or too cosy with, some of the universities. I would like his views on that.

Secondly, I know that it is too early to talk about the success of foundation degrees in widening participation. I will put my cards on the table and admit that I am a big supporter of them. I think that they will be a winner in the long run, but I would like the Minister's view.

The third point is on the Open university, which has the proudest tradition of widening participation of any university, not just in the UK but in the world. In the briefing note that the OU provided to Members for this debate, it made a couple of key points to which I would like the Minister to respond:

"Part time higher education is a very cost effective way of widening participation so the support available to part time students should be enhanced. The OU would ideally like to see part time students have access to the support enjoyed by full time students—such as access to student loans, student bank accounts as well as other concessions…It is estimated that 40 per cent. of all higher education students are part time. So Higher Education funding models should be flexible enough to reflect this instead of being geared largely towards the needs of full time students as is the situation at present."

Mr. John Hayes (South Holland and The Deepings) (Con): Before the hon. Gentleman concludes his exciting peroration, he will know that the Government's policy on equivalent or lower qualifications will mean that about 20 per cent. of OU students will lose their funding. That will not simply leave things as they are but will make them worse. If the hon. Gentleman would challenge the Minister on that, he might get a reply as a result.

Jeff Ennis: The hon. Gentleman makes a good point. That is another important issue on which I would like the Minister to respond.

I have focused primarily on the key role that all universities need to play in widening participation in this country. I have deliberately not touched on the other important issue—student finance and debt. It is worthy of a debate in itself, and I am sure that other hon. Members will include it in their contribution this afternoon.

As I said earlier, several best practice models, centred mainly around positive action, are employed by universities. They should become the norm rather than the exception. We still have schools in this country that have never sent a student to either Oxford or Cambridge, which cannot be right. We have all heard the expressions "failing schools" and "coasting schools". I am afraid that at

present, as far as widening participation is concerned, we have several coasting universities. Indeed, I would go so far as to say that we have several failing universities that are not fully playing their part in tapping the untold intelligence and talent of our young people. I hope that today's debate will stimulate a response from all universities on this important matter.

Frank Cook (in the Chair): Order. As you all know, I have to start the first of the three winding-up speeches at 3.30 pm in order to enable us to finish by 4 pm. Five Members have indicated that they wish to contribute. I hope that they will all take account of time in making their contribution and also in accepting and responding to interventions.

2.56 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): The Government's target of a 50 per cent. participation rate from lower-income groups is, as the National Union of Students has described it, bold and progressive. The Secretary of State for Innovation, Universities and Skills was keen to make explicit the Government's understanding of the importance of widening participation in higher education when he said on 8 April:

"To succeed in the increasingly competitive global economy, we must unlock the talents of all our people. Other countries better overcome barriers to reach talented students. We are wasting too much talent."

Hear, hear to that.

Yet the stark fact is that people from lower socio-economic backgrounds make up around one half of the population of England but represent just 29 per cent of young, full-time, first-time entrants to higher education. As the National Audit Office pointed out in June, lack of participation is most acute among men and women from white working-class communities, which is the most under-represented group. That is the community in which I grew up. Such inequality cannot be allowed to persist.

The NAO also reported that the participation rate for men is currently 10 per cent. below that for women, and that social class remains a key determinant of higher education participation, as my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) said. I am unsure whether the Office for Fair Access can intervene on gender participation issues, and I would be grateful for the Minister's guidance on that.

On finance, we know that debt aversion is a prominent factor in poorer students' decisions not to apply to university. Indeed, my own experience of attending university as a mature student highlights the well-established nature of that socio-economic trend over many decades, and it is my belief that the Government's policies on variable top-up fees and the student grant may be barriers to increasing the number of poorer students going to university.

Evidence is also emerging that additional factors in the faltering progress include the unregulated nature of bursary schemes and the failure to address the needs of part-time students. The findings of research into universities' bursary schemes conducted by Professor Claire Callender of Birkbeck university revealed worrying variations in the level of support available to students through bursaries. In essence, Professor Callender found that access to a good level of bursary support is dependent on where someone goes to university. The relatively small number of low-income students at Russell group universities had access, on average, to an annual needs-based bursary of £1,791, but the average hardship support for students at the Million+ group of universities, which the majority of students from deprived backgrounds attend, was £680—that is, £1,000 less.

Perhaps more worrying still is the use of bursaries by universities in the two groups. The research revealed that Russell group universities awarded 77 per cent. of all bursaries in 2006-07 on the basis of financial need. In the Million+ group, only 45 per cent. of the recipients were students experiencing financial hardship. In the *majority of cases, universities with a higher proportion* of poorer students are awarding bursaries for purposes such as marketing, rather than to support students struggling with the increased economic cost of going to university.

Dr. Gibson: I wonder whether my hon. Friend remembers where bursaries came from in the first place, and why they were instituted in the system. I think that some of us probably do and have the scars to prove it. Secondly, does he think that a national bursary is required to sort out some of the problems?

David Taylor: I shall return to that matter. I agree with my hon. Friend's second point.

Returning to the Russell group, the Higher Education Statistics Agency noted earlier this year that only six of the 20 universities in this institutional clique were reaching the Government's targets on recruiting students from state schools. The majority of state school pupils are not from poor households, but this type of resistance to change does nothing to dispel concerns over the endurance of elitism and class discrimination at some of our most internationally respected universities. I am not at all surprised to find that the London School of Economics is in the stocks in the way that my hon. Friend the Member for Barnsley, East and Mexborough described, because for years it has persistently offered places to well-off foreign students with less good qualifications than home-based students. That is a scandal that ought to be exposed. We have done little about that, as a political class.

Dr. Gibson: What does my hon. Friend think of the LSE governors, who have allowed that to happen?

David Taylor: I sense that my hon. Friend is tempting me down that route. I am not sure that the Chairman of the Children, Schools and Families Committee, my hon. Friend the Member for Huddersfield (Mr. Sheerman), is a governor there, but I shall certainly have a discussion with him after this debate.

Another worrying statistic is that only four out of 20 Russell group universities reached the Government's specific target for accepting students from deprived neighbourhoods. Oxford university is 3 per cent. off its own modest target of 8.7 per cent. This cannot go on.

The Russell group would do well to look at the successful participation policies of the university of Leicester, recently named university of the year by *The Times Higher Educational Supplement*. I am proud of that university. Its vice-chancellor, Professor Bob Burgess, who came here to talk to county and city Members of

[David Taylor]

Parliament a few months ago, has been a major figure in improving the all-round performance of the university of Leicester over the last decade. He has said, rightly,

"we are a university that tries to extend its reach and widen participation to the students who perform well in school and college, but are from social groups or areas of the country that do not traditionally come to university."

That university has strengthened its links with state schools and maintained appropriate levels of investment in research and buildings and is listening to the student body.

I visited the university's computer centre and library not that long ago. It is a fine place: I ought to declare an interest, because my daughter used to work in the library there. All the things that I have mentioned have been key to the success of this most progressive and democratic of east midland universities. Our county and region are well blessed with top universities.

The Times Higher Educational Supplement said that Leicester university is "elite without being elitist." What a fine, concise phrase that is for improving higher education in our country. The university of Leicester's performance throws out the argument made by antediluvian academics and their political supporters that accepting the Government's demand for more students from lower-income backgrounds and state schools would inevitably lower standards.

The comment of Lord Patten of Barnes about the Government treating universities—presumably Newcastle and Oxford, where he is chancellor—like a "social security office" was provocative stuff from a Tory dinosaur, although it is hardly surprising that Oxbridge and some of its cohorts resent state intervention in what they consider their own private affair. But Chris Patten's sponsored statement was useful in reminding us of the key role that the Office for Fair Access has to play and where it must show its mettle.

Surely, OFFA exists to challenge this type of entrenched prejudice against working-class students, especially as the higher education sector remains 21 per cent. away from the Government's target for this group. Yet no remedial action has yet been taken by OFFA—when will the Children, Schools and Families Committee say something about OFFA?—against universities failing to fulfil their side of the bargain and more accurately reflect the society we live in and the potential of all our students, regardless of what their parents earn. Perhaps OFFA needs to be more assertive in its discussions with those universities that are seemingly incapable of change, particularly if the Secretary of State's impressive commitment, which I started my contribution with, to creating a socially just higher education sector is to be fulfilled.

If we are to dissolve the class barriers to full participation in higher education from lower-income families, then all universities must be prepared to forge links across the state school sector and ensure that the privately educated minority—the 7 per cent. who are privately educated and have such disproportionately high access to Oxbridge and Russell group universities—are not over-represented among Russell group universities. It is a disgrace that that situation should have survived almost 12 years of a Labour Government, with another four, five, six or seven years to come, perhaps.

OFFA has a crucial role to play in successfully regulating admissions practices and policies and now is the time for it to get its teeth out of whichever box they have been stored in, put them in and show some teeth to the universities that are represented by some of the hon. Members here in this Chamber.

3.5 pm

Paul Holmes (Chesterfield) (LD): I congratulate the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) on securing this debate. He and I share a background; we were teachers before being elected and we spent quite some years together on the Education Committee, as was, pursuing our interest in education. We have a lot of views in common on this issue.

As hon. Members' contributions so far have indicated, a wide range of issues can be looked at in respect of widening participation in higher education. I wholeheartedly support the Government's ambition, mentioned at the start of this debate, of having 50 per cent. of school leavers going to university. I was surprised, when that idea was first put forward, by the number of people who criticised it and opposed it as being totally unrealistic and undesirable, given that Scotland is already way past that target. Scotland has always valued education and succeeds at it to a far greater extent than England.

When Select Committee members went to California some years ago to look at higher education and further education, we talked to its equivalent of the chamber of commerce. The employers there were not echoing the voices in this country that said, "Fifty per cent. is far too much." They said, "Here in California, the fourth largest economy in the world in its own right—if it were a separate country—we have 60 per cent. with degrees and it is not enough; we need more." They were certainly signed up to the idea that access to higher education and expanding it is essential to the success of any modern economy in a globalised world.

I shall mention briefly the education maintenance allowance, which has already been touched on. That is a good initiative that has proved successful, but this year it has been a shambles that is still staggering on. A number of my constituents—including another one in the past week—have approached me because they have not received their EMAs, have not been able to get registered, despite making two or three attempts, or have registered but have not got the money. We hear all sorts of figures on how many people across the country are suffering, ranging from 50,000 to 300,000, but we do not know the real figure. What is the company doing about that, and what penalties will be imposed for this absolute shambles, which is destroying a good scheme? I have heard anecdotal evidence, as I said in the Children, Schools and Families Committee recently, of students from poor family backgrounds in Chesterfield staying on but dropping out within the first two months because that essential money was not there to support them.

Outreach work in schools is essential to encourage pupils considering staying on for post-16 studies and then going on to university, which has been touched on by hon. Members. The Sutton Trust, in research looking at pupils who started secondary school in 1997, found that young people who are eligible for free school meals are 19 per cent. less likely to go to university than those who were not on free school meals. Looking more

closely, it found that if pupils on free school meals—the indicator of poverty—could be persuaded to stay on post-16, they were just as likely, after that, to go to university as people from more affluent backgrounds. The problem was getting them to stay on in the first place to clear that hurdle. EMAs were a great step in helping to achieve that, which is why this year's shambles must be dealt with and resolved—it has not been resolved yet—and why there must not be a repeat of that in future.

Schools today play a much greater, and better, part in trying to overcome problems in respect of home background and role models. When I was a school pupil in the late 1960s and early '70s, coming off a council estate in Sheffield, I knew absolutely nobody among my family, neighbours and friends' parents who was a role model as a manager of a business, an accountant, a lawyer, a civil servant, a doctor, or a professional of any kind; I had never met any such person. It was only through school that that started to happen. Speaking as someone who was a secondary school teacher for 22 years before being elected, schools today are much more proactive and capable in what they are doing to raise that awareness among pupils and raise the aspirations of people who come from backgrounds where there are no such role models. All the excellent work that a lot of universities are doing in outreach work with local schools in their areas is starting to produce dividends, but it is a long, slow process.

After someone has got through all those hurdles, stayed on post-16 and applied to university, the problem arises, which has already been touched on, of gaining access to university. The Sutton Trust did another piece of research on admissions from 2002 to 2006, and it bluntly stated that state school pupils are losing out compared with those from private schools. The trust found that the number of pupils who went to Oxbridge universities from the top 30 comprehensives in the country was a third of what would be expected based on their A-level results and ability. The number from the top 30 private schools was more than expected. There is a clear and massive imbalance, based on the sort of school candidates go to, in intake to top universities, which is, of course, a category that extends way beyond Oxbridge. I am a proud graduate of York university, which has been rated seventh in the country for two years running now. We should not always be thinking of Oxbridge when we talk about the top universities.

The imbalance is clear. There is a barrier of some sort in the process that prevents bright children who go to state schools—93 per cent. of the school population—from gaining their due access to the highest-performing universities. We need to look at that issue carefully; we have still not resolved it, and we have already heard the comments about Offoff, as it has been unkindly nicknamed, and whether it is achieving its purpose.

Another piece of research, by Professor Geoff Whitty of the Institute of Education at the university of London, has made the same point. He pointed out, on the basis of his research, that private school pupils gain more places at elite universities despite the fact that they get only slightly better A-level grades—the difference is typically about half a grade. He said that they were significantly more likely than their state school peers to get into leading institutions such as Oxbridge universities and the Russell group. Professor Whitty said that that meant that universities such as Bristol, which have experimented with considering students' potential as well as their raw A-level results, were right to do so, and that universities should be encouraged to do that more widely.

Logic and common sense tells us that ability is not fixed at 18. At what point is it fixed? Certainly not then. I know from having been a head of sixth-form for 12 years, and from my own children, one of whom is now at university, that beyond the age of 18 people still develop an awful lot. It is obviously foolish to say that there can be no improvement beyond the A-level score that someone attains at 18. In a private school with half the class size and more teacher attention, and in a boarding school with a captive, spoon-fed audience, pupils may already have reached, or gone beyond, their potential with their A-level grades. As Professor Whitty points out from his detailed research, comprehensive schools, by contrast, must educate children of all abilities in larger class sizes, so pupils with given A-level grades are doing better, given their environment, than a private school pupil with the same A-level grade. There is a strong case for making allowances for that.

My final point—it has been suggested that someone might take it up, and I shall do so briefly, although we have rehearsed it exhaustively before—relates to tuition fees and student finance. As I have said many times, I cannot comprehend the logic that says the way to improve access and to encourage children from poor backgrounds, who traditionally do not go to university, is to lumber them with a huge amount of student debt through tuition fees. I cannot see a shred of logic in that approach. We shall come back to that argument a lot in the next couple of years, because we are about to conduct a review.

The £1,000 fee went up to £3,000, and it is going to go somewhere else. The Russell group universities propose tuition fees of £7,000, £9,000 or £14,000—or, as Chris Patten, chancellor of Oxford university, has proposed, mortgage-level tuition fees. That will certainly stop children from non-traditional and poorer backgrounds even remotely considering choosing universities according to their ability, as opposed to their ability to pay.

When the new Labour Government introduced tuition fees, having said in the 1997 general election that they had no plans to do so, they largely based their proposal on an experiment in Australia. The Select Committee went to Australia and was told in Canberra, 10 years after the introduction of tuition fees, that there had been no problems at all for people from poorer backgrounds. When we went to Sydney and talked to the opposition party—which, ironically, was the party that had, in government, introduced the measure—we were told that the Government seemed to have forgotten all the research that they had been hiding, which had been drawn out only by freedom of information requests. That research showed that there had been problems and that children and students from poorer backgrounds now go much more often into shorter, cheaper degrees, which in turn get them into less well-paid graduate occupations. They cannot afford the mounting tuition fees under the system. Women, of course, who take career breaks because of children or who often make career choices that take them into less well-paid graduate professions, are the ones who have been hit hardest by the burden of student debt.

[Paul Holmes]

None of that should be a surprise. It is exactly what we would expect in England, and it is exactly what is happening in England. It is still not too late, when we think about Chris Patten's mortgage-level tuition fees, to think again and return to a system of education paid for by the taxpayer and paid back by appropriate levels of taxation, with graduates contributing more either because they earn more or through a graduate tax of some kind. However, that is a debate to return to in more detail later.

Frank Cook (in the Chair): There are 15 minutes remaining and only two hon. Members bidding now. I call Barry Sheerman.

3.15 pm

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I shall be brief. Of the nine hon. Members participating in the debate, seven have served on a Committee that I chair—even the Minister's Parliamentary Private Secretary, my hon. Friend the Member for City of Durham (Dr. Blackman-Woods)—so proceedings are a little interbred. However, it is a very good debate. I am delighted that my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) was able to get the debate. It surprised me, because he cannot be on my Select Committee any more because he is now the deputy to the Minister for Yorkshire and the Humber. I am amazed that he cannot continue as a good member of my Committee, but he can function as a Back Bencher and obtain debates in Westminster Hall. I am sad that holders of such posts can no longer participate in Select Committees—and of course they are unpaid. However, it is a pleasure to follow the argument that my hon. Friend put.

I think that my hon. Friend was a little tough about the Russell group, and some of the comments about it have been a little excessive; let me put the record straight. I would not demur from the overall argument. I attended the London School of Economics for both my degrees, and am one of its governors; but I am not a majority on the governing body and some of the situations that arise there are not ones that I welcome. However, it is a large governing body. I remind the House that we have independent universities in this country. They are not creatures of the state but independent institutions, and long may they be so. We want them to do all sorts of things, and jump through hoops, but at the very heart of the quality of the higher education in our democracy is their independence.

Paul Holmes: Will the hon. Gentleman give way?

Mr. Sheerman: Not for the moment.

With independence comes the fact that we cannot—and thank goodness we cannot—tell the universities what to do on a daily or weekly basis. There are problems; I hear the arguments, which are well made.

I want to deal with three detailed points. The Select Committee on Education and Skills considered the widening participation agenda, and we strongly criticised the outdated admissions and application process that was still used in Oxford and Cambridge. However, Cambridge has mended its ways and has now come into the main body of applications for university entrance. Let us welcome that good change. Oxford has not done so, and it should. The one thing, in my experience of going into schools, that puts off many of the kids in our schools from applying to Oxford and Cambridge is the different and very distinct application process. They are immediately regarded as a swot sitting in the corner with a special application because they are going to Oxford or Cambridge. Both Oxford and Cambridge should long ago have come into line. Cambridge has and we hope Oxford will.

Also, many of our highly competitive universities put great faith in the interview process. I believe that the interview process is severely lacking with respect to any scientific basis, the way in which interviewers are trained, or not trained, and the passionate faith that is placed in it. When the Select Committee visited the United States the leaders of many Ivy league universities said that they did not believe in interviews. Indeed, the president of Stanford university said that if they wanted more people like them, they would interview. They use five or six criteria to identify the latent talent in applicants. It is right that we want to identify talented young men and women in our country, and to do so correctly, but much of the interviewing process is still lacking. It is hard to persuade the universities that interview that that is not the best way.

We have seen a profound change in outreach programmes in universities, but they are not always led by universities, and I think all of us would agree on the record that the Sutton Trust was a trail-blazer under Sir Peter Lampl. It blazed a trail, and said that if we want kids to go to research-rich universities, which they are terrified to go to because they think they are posh and not for them, we must get them to a summer school. Let them see and experience the university, let them meet some of the students and staff and get through those barriers. It was not the universities that blazed that trail; it was the Sutton Trust.

When one goes round universities now, they often conveniently forget that it was an external stimulus that set them on that path. However, they are doing much better now, and sometimes the Sutton Trust can step back a bit because universities such as the London School of Economics, Oxford, Cambridge and York now hold summer schools, and are progressively introducing new ways of outreaching to schools. Some have done that by setting up partnerships with academies, which is a progressive measure. I have argued for that in the institution that we discussed earlier, but I have not won the argument yet.

Universities that have gone in for academy partnerships are doing the right thing, but that is not the only way. Many universities now have outreach programmes in schools. They send students and staff into schools, and use their alumni, as happens in the United States, to go into schools from which they do not get students.

The Select Committee went to a number of universities in the United States that have a map of the country, and if they know of a state or part of a state that is underperforming in the number of talented young people applying to that university, they send local alumni to find out why.

There have been some remarkable improvements over the past 10 years—let us not deny that—and not only in terms of the extra money that has gone to universities. I know that some of my Liberal Democrat friends object

to variable fees, but we have seen enormous enhancement in the quality of higher education because we introduced those fees, most of which have gone into paying university staff better. If we do not have high-class tuition and research, we will not have the world-class universities that we need. We have them now, and the money has, by and large, come from variable fees, which I was in favour of then, and still am.

Paul Holmes: Will the hon. Gentleman give way?

Mr. Sheerman: No, I will not

I know that there was a hiccup with the payment of education maintenance allowances during the summer, because of the partnership with a private company, but they have had a good take-up, and analysis shows that they work and bring more young people from deprived backgrounds into higher education.

Let us not forget that the leaving learning age will rise to 17 and then 18. In our present economy, I would bring that forward by two years, and not wait. Raising the leaving learning age will be a remarkable opportunity to keep kids in education. It is good to have a go at research-rich universities and the Russell group, but if we do not keep kids in school until 18, they will never have a chance to apply to university. We always said in the Select Committee that all the evidence shows that if kids are kept in education from 16 to 18, they have the chance to go on. That is where my priority lies.

Let us not bash the Government for everything. During the past 10 years, resources, motivation and direction have been absolutely right. As with all Governments, they have not got everything right, but that would be perfection in any political system, even that of which Mr. Obama will shortly be President.

Frank Cook (in the Chair): Order. Six minutes remain, and not a second more.

3.24 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I have worked out that I can speak for six minutes, and no longer. I have been following the maths and the time as the number of hon. Members waiting to speak has come down.

It is always a pleasure to follow the hon. Member for Huddersfield (Mr. Sheerman), who speaks with great experience as a long-standing member of the Children, Schools and Families Committee with a personal interest in the matter. I congratulate the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) on raising the subject in his clear and typical style. This is my first opportunity in a debate to welcome the Minister to his new role, and I do so. I am pleased that the hon. Member for South Holland and The Deepings (Mr. Hayes) arrived—we were briefly worried about him. It is noticeable that one in 30 Liberal Democrat Back Benchers, one in 90 Labour Back Benchers, and zero in however many Conservative Back Benchers, are here and participating.

The hon. Member for Barnsley, East and Mexborough said that he would like to congratulate the Government, and I thought that he was then going to say that he could not, given the facts and figures. There is something in that, because we have not reached the 50 per cent. target, and we are not heading fast towards 50 per cent. The Minister's Department will allow expansion by only 10,000 places next year, compared with 20,000 the previous year, because of the £200 million black hole. Widening participation and increasing participation are separate agendas, and one hopes that with an increase there is more scope to widen, but that does not necessarily follow. On the widening participation agenda, it is not clear that there are reliable figures showing that the Government have succeeded or can point to universities succeeding. If the Minister gives figures, I shall ask him to source them carefully, whether the baseline was chosen prospectively or is the one that most fits with the latest figures showing an improvement, and what category of lower socio-economic groups he uses, because that seems to vary year by year according to the subject. Widening participation is not just about increasing participation, nor is it just about full-time school leavers. That must be acknowledged. My hon. Friend the Member for Bristol, West (Stephen Williams) talks about other issues, including part-time and mature students who are such an important part of that agenda, as we all recognise.

Given earlier comments, I want to point out that I do not seek to speak for Oxford university, which is one of the two universities in my constituency, and Oxford university does not speak for me. I know that the chancellor does not speak as a representative of the student view or indeed the academic view at Oxford. I disagree with his view on releasing the cap on tuition fees, and I am happy to put that on the record.

A key issue about access to research-rich universities is that more must be done by everyone to improve the situation. At the point of admission, universities can deal only with people who have applied.

David Taylor: Will the hon. Gentleman give way?

Dr. Harris: I will give way in a moment.

A lot of work must be done to encourage students to apply, and having a reputation for being posh and being a place where some people may not fit in is not helpful, which is why universities must ensure that that is not their image. They should resist being stereotyped and caricatured unfairly as having that image—that happened in the debate—when we know that it is not so. The key question is, are the success rates for those who apply—that is the second stage—equal? My criticism of Oxford, if there is one, is that sometimes the success rates have not been equal and there has been a higher success rate—generally on the same grades, because straight As are required for anyone thinking of applying—in some years for non-state school students, and that is unacceptable.

I agree that it is wrong that someone from an inner-city comprehensive with an A and two Bs is not seen as having the same level of potential as someone with three As from Eton. There are data to show, as has been cited, that that is so. It is not right that universities that are brave enough to accept that are attacked—Bristol was unfairly attacked—for doing the right thing. It is not a case of positive discrimination; it is ending unfair negative discrimination. Regardless of the independence of universities, the Government should insist that all universities within the scope of the evidence base, which is clear, should insist that the best, bright pupils from state schools, even when their qualifications are not as high as those from independent or grammar schools, should be able to apply and to be considered. The St. George's evidence is very strong.

[Dr. Evan Harris]

I do not have time to say more, except that I agree with my hon. Friend the Member for Chesterfield (Paul Holmes) about the deterrent of the student finance arrangements that the Government have introduced.

3.30 pm

Stephen Williams (Bristol, West) (LD): I congratulate the hon. Member for Barnsley, East and Mexborough (Jeff Ennis) on initiating the debate. He and I spent about two and a half years on the same Select Committee and I know he is passionately committed to social mobility and to ensuring that everyone has a fair chance to access higher education. Indeed, he and I have similar backgrounds; we are both alumni of Bristol university and come from under-represented white working class families, as he put it. I even had free school meals when I was at school, and it will perhaps not surprise my colleagues to know that an early indication of my capitalist leanings was that I used to sell my dinner tickets to the highest bidder.

In his introductory comments, the hon. Gentleman said that dealing with this issue will take a generational change in social attitudes in some communities. Indeed, in or near our constituencies, all of us no doubt know of some schools that send 100 per cent. of their 18-year-olds to higher education and some schools that year after year send nobody at all. My constituency has one of the highest participation rates in higher education in the country. However, south of the river, Bristol, South—alongside Nottingham, North and Sheffield, Brightside—is one of the three lowest parliamentary seats in the country in terms of levels of participation in higher education.

We are trying to combat generations of under-achievement, poverty of aspiration and other challenging social indicators. Widening participation is a major issue that is largely linked to educational attainment and the potential of someone's background. The hon. Gentleman has focused on fair access, which is a subset of widening participation; it relates to a small but none the less incredibly significant group of people. We are largely concerned with people who have achieved at school, but who for some reason do not reach the university destination that either reflects the level of their achievement at school or their potential.

The hon. Gentleman focused largely on the Russell Group list of research-intensive universities. In my role, I have several times met the admissions directors of Oxford, Cambridge, my own university of Bristol and some of the other universities in the Russell Group. I know that, as individuals—whether they are the manager or pro-vice chancellor responsible for admissions—they are all committed to ensuring that this problem is addressed with due seriousness. Several examples of good practice already exist in some of these universities—for example, Oxford university has a programme of engagement with teachers in state schools and visits high-performing state schools. That is a good thing to do, but, of course, visiting high-performing state schools that turn out a lot of children who do well at A-level leaves out states schools in which there are perhaps only one or two achievers. They are perhaps the people who are most missing out on fair access.

David Taylor: Does the hon. Gentleman agree that it is extremely sad that when schools and universities try to identify latent talent in non-traditional geographical areas and press for admission procedures to be revisited, newspapers, such as the *Daily Mail* and *The Daily Telegraph*, hyperventilate about social engineering and dumbing down? That contributes nothing to the debate.

Stephen Williams: I thank the hon. Gentleman for his intervention; he is exactly right. The vice-chancellor of Bristol university has a fat file full of criticisms from *The Daily Telegraph*, the *Daily Mail* and the head teachers of several leading private schools. Such criticisms are made every time the university tries to do something in relation to unfair admissions, even though such actions do not in any way dilute the entry standards, as the hon. Member for Huddersfield (Mr. Sheerman) said. None the less, attempts to deal with the issue of social context and the potential of applicants opens up the university to unfair criticism, as my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) said.

Bristol university does a lot to attract children from a wide social pool to go to university—for example, ChemLabS is a programme that not only encourages young people to take an interest in science, but to go to Bristol university, although many of the people who take part in that programme actually apply to other universities. The programme is a success in its own right, but that does not necessarily mean that Bristol gets the full credit for it. Leeds university has a similar aspiration and now has an inter-disciplinary science foundation year to ensure that children who perhaps have not got the right mix of A-levels to do a science course at a Russell Group university are given a grounding in science and maths.

Greg Mulholland (Leeds, North-West) (LD): I join my hon. Friend in commending Leeds university's science access programme, which is proving successful. Equally, on the other side of the coin, as it is one of the Russell Group of universities, earlier this year, a report from the Higher Education Policy Institute estimated that fees could rise to up to £7,000 a year. Does he agree that it is absurd to suggest that that will not have an effect on widening participation and encouraging people from less well-off backgrounds?

Stephen Williams: I thank my hon. Friend for that intervention. I will come on to the issue of the fee cap, but I certainly agree with his point. My hon. Friend the Member for Oxford, West and Abingdon mentioned that in relation to many Russell Group universities, we must essentially deal with the problem of comparing people who do not apply in the first place with those who do apply and often have three As. It is hard for the universities to discriminate between such applicants. Incidentally, the introduction of the A* grade is likely to make that problem even worse for admissions tutors.

Perhaps the Minister could respond to this specific point. On the issues surrounding the applications procedures, to which the hon. Member for Huddersfield referred, when Professor Steven Schwartz was vice-chancellor of Brunel university he produced a report that recommended we should shift to a system of post-qualification applications, so that the A-level or diploma results of young people are known. We would then

know exactly who has good qualifications and would be able to match those people up with the research-intensive universities. What progress do the Government expect to make in switching from our existing examinations timetable to a system of post-qualification applications? Considering when that timetable was devised, it is now out of date.

The advice that young people receive early in their school career is essential. We must ensure that the independent advice that young people receive in schools is aspirational and that it challenges their stereotypical feelings or their parents' feelings about the backgrounds from which they come. We must ensure they receive accurate advice about the subject choices they need to make, so they do not have the bitterly disappointing discovery at age 17 that the choices they have made do not enable them to apply to some of the top universities in the country.

Many issues are outside the immediate control of the universities and need to be addressed by policy makers. Debt alleviation, which was mentioned by my hon. Friend the Member for Chesterfield (Paul Holmes), is certainly something that will concern many students from poor backgrounds. That is particularly the case for those who wish to take courses that are perceived to be expensive or that might take a long time to complete—for example, medicine. In its 2007 student survey, the British Medical Association said that graduates in medicine currently leave the system with at least £20,000 of debt. If the fee cap that my hon. Friend the Member for Leeds, North-West (Greg Mulholland) mentioned is lifted in the future, which is an expectation widely held in the sector, medicine is likely to become an incredibly expensive degree. That means the social profile of those studying medicine will become even more skewed. There should be a level playing field for students who study in different modes—particularly for those who choose to study part-time, in relation to which the current funding system is prejudicial.

Why is this issue so important? I was curious to note that the hon. Member for Barnsley, East and Mexborough did not stress that not having fair access creates a barrier to social mobility in this country. Depending on which study one reads, we are either the worst or the second worst socially mobile country in the OECD.

The hon. Member for Huddersfield mentioned the Sutton Trust several times. Sutton Trust reports, which I read with avid interest as well, have shown that 81 per cent. of the judiciary went to Oxford or Cambridge. Most of the leading members of the British media went to Oxford or Cambridge. Most heads of charities and, indeed, a significant proportion of parliamentarians—our colleagues—went to Oxford or Cambridge. The Sutton Trust produced a report in September 2006 on the educational background of the House of Commons. It found that 28 per cent. of MPs went to Oxford and 34 per cent. went to an independent school; 59 per cent. of the Conservatives went to an independent school. I heard today the Leader of the Opposition trying to associate himself with change and with a young person who has just been elected in the western world. If he thinks that an example of change is yet another old Etonian being elected to govern this country, he does not understand the meaning of change or social mobility.

3.40 pm

Mr. John Hayes (South Holland and The Deepings) (Con): I am delighted to follow the hon. Member for Bristol, West (Stephen Williams) by reminding him that I was the first in my family ever to go to university, that I went to a state school and that I do not enjoy the privileged background that he claims is commonly enjoyed by Conservatives.

I welcome the Minister to his new role. I know that he shares my passionate support for the principles outlined by the hon. Member for Barnsley, East and Mexborough (Jeff Ennis), who obtained this Adjournment debate and has usefully brought these matters to the attention of the Chamber.

Participation in higher education has a vital role to play in expanding opportunity and building a socially mobile, cohesive and just society. I know that the Minister shares those ambitions, but the uncomfortable truth is that rather than increasing opportunity across society, the expansion in university education in the past 30 years has served to cement social division. Opportunity for some has not meant opportunity for all, as the hon. Member for Barnsley, East and Mexborough made clear. In 2005, the Sutton Trust found that people born in 1970 were less likely to have moved between social classes than those born in the year of my birth, 1958—it is hard to believe that I am 50, but I am. Behind that change has been a rise in educational inequality. Young people from the poorest income groups increased their graduation rate by just 3 per cent. between 1981 and the late 1990s. That compares with the rise of 26 per cent. for those from the richest 20 per cent. of families.

This week, a Cabinet Office report stated:

"Broadly, social mobility is no greater or less since 1970."

Its conclusions are backed up by a recent OECD report that revealed that the link in the UK between higher education participation and parents with a university qualification is one of the strongest in the developed world.

Rab Butler, a great Conservative, once said:

"Education is the spearhead of social reform."

However, despite the fact that more than £2 billion a year has been spent on widening- participation programmes, the participation rate of working-class students has increased by just 1 per cent. since 1995. If that were not bad enough, the improvement rate is declining: in the nine years to 1995, participation by working-class students grew at a faster rate. Astonishingly, for some groups, admissions are in decline. We know that from the latest UCAS figures.

Why is that? I say to the Minister, who has inherited much of the problem rather than created it, that it is because the Government have focused completely wrongly on two things; the admissions process and aspiration. It is a kind of pushmi-pullyu policy. However, the pitiful progress in attracting working-class students into higher education is not the result of a biased university admissions system or simply the result of inadequate aspirations. Let us be clear: there is an assumption abroad that universities are institutionally biased against students from poorer backgrounds. That prejudice was memorably demonstrated in relation to the Laura Spence affair, which we heard about again today, but there is no prima facie evidence of snobbery of that type. If there were, that would be a shocking indictment of our university admissions system. But in truth, fewer young people

[Mr. John Hayes]

from working-class backgrounds go to university because universities receive far fewer applications from them than from their middle-class contemporaries. Far from proving discrimination, the evidence, such as it is, suggests that applications are treated with admirable fairness.

In two years of access agreements, OFFA has not identified a single breach of those agreements. In 2006, a report for the Higher Education Funding Council based on extensive reviews of the available research found that, if anything, the university admissions system favours applications from working-class candidates. Even the Secretary of State acknowledged that when he said that

"there is no evidence of widespread dissatisfaction with most admissions".

On the push side of the policy, the Government have focused on raising aspirations. They have put millions of pounds into the Aimhigher programme, but research suggests that Aimhigher is not effective at targeting the worst-off students. Media analysis of the campaign illustrates the fact that its message is best received not by socio-economic groups D and E, but by group A. Those conclusions were supported by a revealing Government study that found

"no conclusive statistical evidence that such interventions have...led to increased aspirations to enter higher education."

Surely that forces us to conclude that that is not the right approach. Given that the Government are cutting the funding for Aimhigher, I guess that they are grudgingly coming to the same conclusion.

The worst of their misanalysis found form with the Government's decision on ELQ—equivalent or lower qualifications. I acknowledge that that did not happen on this Minister's watch, but it was a decision by the Government of whom he is a part. It is sad to say that under this Government there is no chance for second-chance education. I have referred to 20 per cent., but it is actually nearer one quarter of Open university students in England and Northern Ireland who are losing their funding under the ELQ cuts. The cuts mean that 20 per cent. of all part-time learners will become unfunded from this academic year. We cannot continue to draw deeply on a shrinking pool of the same kind of students to stimulate growth in higher education. We must broaden access, which is why the Conservatives have called for the ELQ cut to be reconsidered as part of the bigger funding review.

We must move away from the idea that we simply have to pull more young people on to traditional university courses. In place of the strategy that deepens access for the few, I want a strategy that genuinely broadens access for the many. To do that, we must tear down the institutional barriers that inhibit imaginative solutions and innovative modes of learning. That means recognising that increasing participation is not just about academic offers made to 18 to 30-year-olds; it is about mature learners and vocational learners, too.

We must revisit the traditional assumptions about the patterns of higher education study. The rhythms and structures of campus culture are often simply unsuited to the needs of the under-represented groups. The ingrained pattern of low participation in some neighbourhoods and among certain social groups requires solutions that are sympathetic to the lives of different learners. Full-time study is difficult for those in work or with families. The financial burden of living away from home is heavy for those from low-income groups. We must recognise that different lifestyles necessitate different learning experiences, such as part-time courses, community-based learning, modular study and distance learning. Through changed modes of learning, we can change the chances of thousands of potential students. We can and must build bridges between aspiration, higher education admissions and achievement.

The Dearing review some years ago concluded that much greater flexibility in higher education provision was needed to widen participation, yet the system has not become flexible since then. The number of young first-time entrants to higher education studying part time has remained stubbornly fixed at 6 per cent. for the whole of this decade and we still have problems with modular study. In Britain, if someone leaves a university course early, they are branded a drop-out. In many other countries—notably, America—they are thought to have gained a credit; they have done one, two or however many years of college.

The advice and guidance for young people on higher education opportunities is not adequate. We need to think more seriously about an all-ages careers service that is dedicated to giving the right type of advice and that is focused in towns and cities but also available in schools. As was said earlier, these decisions are usually made by young people. We also need to think about having more HE in FE. FE colleges tend to draw on their local communities, and their cohort is more broadly based. They should be able to offer more higher education courses, yet bureaucratic barriers prevent them from so doing.

In summary, we need to think seriously about these matters again. That means thinking more imaginatively about modes of study and access points to learning because all should have a chance of glittering prizes, regardless of where they begin.

3.50 pm

The Minister of State, Department for Innovation, Universities and Skills (Mr. David Lammy) I congratulate my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis) on securing this debate, and once again bringing this important subject to the House. It has been a good debate. I recognise the contributions that were made by my hon. Friends the Members for Huddersfield (Mr. Sheerman) and for North-West Leicestershire (David Taylor) and by the hon. Members for Oxford, West and Abingdon (Dr. Harris), for South Holland and The Deepings (Mr. Hayes) and for Chesterfield (Paul Holmes).

Widening participation in higher education is not to be confined to young people. It is highly relevant to the 6 million adults in the population that have level 3 qualifications, which approximates to A level, and level 4 qualifications. However, I shall concentrate this afternoon on young people.

I hope that the House will forgive me for not mentioning the contribution made by the hon. Member for Bristol, West (Stephen Williams), who I know was upset. I did not sleep because of the events of last night.

Getting young people from a more diverse range of backgrounds into university is something that should matter deeply to everyone. That is because higher education transforms ordinary people's chances in life. The School

of Oriental and African Studies transformed my life. I suspect that my hon. Friend the Member for Barnsley, East and Mexborough had his life transformed by his experience at Bristol university.

I was the first in my family to go to university. Many other hon. Members could say the same. Experiences like ours have been replicated thousands of times in families across the country. When I leave the House shortly after this debate, I shall be going to Buckingham palace to be made a Privy Councillor. My mother would never have dreamed, given the cleaning and home-help jobs that she had to do to help her five children get a quality education, that such a thing could have happened. Nor could she have imagined that the networks that university opens up would have brought her son to a place where he could be friends with the next President of the United States of America.

Widening participation is about producing highly-skilled and well-rounded people. It is also about social mobility and social justice, but it is just as much about learning for learning's sake and the tremendous opportunities that it brings to those who participate.

Mr. Hayes: I can understand the Minister's excitement and pleasure on being made a Privy Councillor.

Our debate is also about money, is it not? The Government are in a real muddle over maintenance grants. Will the Minister take this opportunity—it matters to students from working-class backgrounds and others—to say how many new students in 2009-10 who would previously have been eligible for help will be worse off as a result of the change? Will it be 50,000, or 80,000? What will be the new taper rate for those maintenance grants?

Mr. Lammy: I shall come to that later.

It is clear that an overwhelming majority of the 500,000 university staff in this country support the great principle first laid down by Lord Robbins—that every young person with the ability and the desire to do so should have the chance to go to university. Admissions officers tell me that they are with us in wanting more gifted young people to apply for their institutions' courses. They share our frustration that, for the want of the right intervention at the right time, too many still have their educational horizons closed before they leave school.

I acknowledge that universities have taken action over the years to improve the situation, but it has to be sustained. Fifty years ago, one in 20 young people went to university. When I went to university in 1990, it was roughly one in five. Today, it is about one in three. The House will know that the Government remain committed to raising that figure to one in two.

The social mix of students is richer than it once was. In 1997, four in every five young undergraduates came from state schools. By 2006, that had risen to nearly nine out of 10 of a much larger student population. Likewise, in 1997 only 11 per cent. came from low-participation neighbourhoods; by 2005, the figure was 13.5 per cent.

We know that well over half of young people from all social classes want to go to university. That is the highest that it has ever been, and the rate of increase in aspiration and ambition has been fastest among the lower socio-economic groups. Since 1997, the Government's policies have given no fewer than 300,000 more people the chance to go to university. Yet in a sense we have only just made a start.

I shall not dwell on the obstacles that we face in achieving the fairness that we all seek. Hon. Members have mentioned many. Those obstacles have not changed much over the years, although our methods of addressing them have. They include low aspiration. I disagree with the hon. Member for South Holland and The Deepings; I believe that aspiration is essential to this agenda. My experience in working-class estates in constituencies such as mine and in the northern constituencies of my colleagues tells me that aspiration, the change in work and context in those communities, are vital factors in explaining why such young people do not go to university.

Ultimately, the universities themselves are responsible for which students they admit. It is inevitable that much of the onus to expand opportunity should fall on them. Most have responded positively to the challenge, and the Government have supported them in that.

For example, we have extended the Aimhigher programme, which has already done much to encourage young people to see going to university as an option. The programme operates on the principle that showing youngsters one concrete example of the fact that people like them can aspire to go to university is worth a thousand words. That is why we introduced Aimhigher Associates, a scheme to allow 5,500 undergraduates to mentor 21,000 children from the age of 13. That is a significant number. The initiative will be supported by £21 million over the next three years. I believe that it has the capacity fundamentally to change lives.

Mr. Hayes: Will the Minister give way?

Mr. Lammy: It is difficult to give way when less than two minutes remain. I know that we will return to the subject over the weeks and months ahead.

I could take the constituency of my hon. Friend the Member for Barnsley, East and Mexborough as an example. The university of Huddersfield's Barnsley centre is directly opposite the further education college. The university authorities have not waited for the people of Barnsley to come to them; since 2005, they have brought a range of higher education opportunities to their doorstep.

My hon. Friend also mentioned the performance of the more selective universities. They, too, are now making progress. However, I acknowledge that to date it has been slower than the average for the whole sector. I am sure that members of the more selective universities will reflect on some of the statements made in the House this afternoon.

Notwithstanding the changes to student grants that we announced last week, I can tell the hon. Member for South Holland and The Deepings that average household income is just under £40,000. That is why we guarantee that a grant will be available to those households, and that people will be supported. We have made a real improvement.

Graveyards and Burial Grounds

4 pm

John Mann (Bassetlaw) (Lab): Good afternoon Mr. Cook. I shall start by quoting from "*SAIFinsight*", the voice of independent funeral planners. Page 20 of today's issue contains advice about how to give a good eulogy. My speech should be seen as a eulogy to the Minister, whose appropriate and detailed response will, I am confident, transform the situation regarding health and safety in burial grounds and graveyards across the country. I hope that she will do that to a time scale. Page 21 of the magazine notes its new publication, "A Not So Jolly Christmas", and gives advice on how to cope with bereavement at Christmas. That provides an appropriate time scale for action—which I am sure the Minister has considered—in which to reach local authorities and other burial authorities. Hopefully, when families make a Christmas visit to the grave of their loved ones, they will not be confronted with the indignity that huge numbers of my constituents have faced in recent years.

I said huge numbers. There are 859 families in my constituency who have contacted me because their loved one's grave has been staked by an over-zealous burial authority. Those 859 families are in one constituency. I have researched the subject and have discussed it at length on a number of occasions with the kind assistance of the Minister, her advisers, officials and the Health and Safety Executive. I have also taken the precaution of finding out about health and safety myself. I am the only trained topple-tester of memorials in Parliament and one of only a few in the country. Therefore, I can categorically say that of those 859 staked graves, the vast majority—upwards of 90 per cent. if not 95 per cent.—are not unsafe at all but are perfectly safe. Those that I have tested would demonstrate that.

What is going wrong? It is not the Health and Safety Executive. In 2007, a written answer stated:

> "In 2004, the chairman of the Health and Safety Commission wrote to all local authorities setting out the need for a pragmatic approach to this very sensitive issue."—[*Official Report*, 20 February 2007; Vol. 457, c. 610W.]

The problem is that some local authorities and others have not been listening. Instead of thinking pragmatically and understanding health and safety and the concept of risk assessment, local authorities have brought in private contractors and paid them a sort of piece rate, creating a perverse incentive for the contractor to stake or lay down the gravestones, deeming them to be unsafe whether they are or not.

A fascinating comparator is the Church of England. That has as many burial grounds as local authorities but it gives responsibility for them to church wardens. Those people are volunteers—unpaid but highly professional. They are people about whom the words "common sense" and "appropriateness" immediately spring to mind in all their dealings and voluntary work. In my constituency and across the country, church wardens assess the risk of burial grounds by using common sense. Therefore, when I asked the Second Church Estates Commissioner, my hon. Friend the Member for Middlesbrough (Sir Stuart Bell) a question in Parliament on 5 June 2007, he was able to say that there have been no complaints about the policy and approach of the Church of England for the last 20 years. None. That compares with 859 complaints in my constituency alone.

Church insurers say that the number of insurance claims they receive from the whole country—on any issue, not only successful claims—averages fewer than two per year. There is a small issue to address about health and safety, as there is throughout society, but it is not a big issue. As I researched the issue, I was amazed. I thought that only Bassetlaw council had decided, in its infinite madness, to stake all the gravestones. In fact, I found that it is happening all over the country—in Staffordshire, Sussex, from Herne bay to Whitley bay, Stoke, south London, Plymouth and in Blackburn with Darwen borough council. They once said that there were 4,000 holes in Blackburn—now it is more like 4,000 stakes.

Janet Anderson: (Rossendale and Darwen) (Lab): I congratulate my hon. Friend on raising this issue—he has done us all a great service. He is right. Darwen council, which covers part of my constituency, has not displayed common sense. One of my constituents told me that

> "it came as a complete shock to find my late husband's memorial labelled unsafe and banded."

That was in September 2007. Darwen council has now learned its lesson. It tells me that when it topple-tests further graves, it will use in-house people whom it has trained, and it will pay the costs of reinstatement. I thank my hon. Friend for forcing Blackburn and Darwen council to do that.

John Mann: I salute the wise burghers of Blackburn. I hope that my own council will take note of their prompt and wise action and will repeat it immediately following the debate. Let me quote from one of the people who go around staking the gravestones in my area, Mr. Jack Sills:

> "The industry test is designed to protect the public from headstones falling over. We have a duty of care to protect those visiting gravestones. There have been cases of people dying when gravestones have fallen on them."

That is what is going on; the private contractor who profits from the staking is overstating the case. Of course there have been occasional deaths, but there were none between 2004 and 2008 since I started campaigning on this issue.

It gets worse. A statement from the Crewkerne and west Crewkerne joint burial committee reads:

> "When people visit and tend graves, they kneel down and normally pull themselves up by the headstone, elderly people in particular...Each time this causes the headstone to tilt over and become more unstable. We don't want them to fall down as they could cause considerable harm."

That is the nonsense on which councillors are making decisions to spend large amounts of money staking or laying down headstones. It is total nonsense for us to envisage thousands of elderly people across the country pulling themselves up and pulling the gravestones down. In my topple-testing capacity I have visited many graveyards, and I have not yet witnessed any incident of that kind.

The reasons for the minute number of accidents that have occurred are, first, playgrounds. Graveyards are sometimes seen as playgrounds and people playing in them occasionally have accidents as they do playing

anywhere that is inappropriate. Secondly, alcohol. On occasion, inebriated people crossing graveyards late at night—whether or not they are fleeing from the police—have managed to come into contact with a headstone and injure themselves. I am aware of one occasion when that was fatal. That has happened in the last 20 years, but it does not happen only in graveyards. There have been no deaths in the last four years.

Let me mention railings. Many graveyards have railings around them. Take last year: Derby, death, railings, impaled; Rotherham, death, railings, impaled; Coventry, death, railings, impaled. I could go on. In Wycombe, there was a death from impalement on churchyard railings and in west London, someone was impaled on churchyard railings after a car accident. In fact, there have been more deaths from impalement on the railings of church or local authority graveyards than from the headstones. Of course there is a risk that young people who climb up trees to collect conkers will slip and fall. If there is something underneath, they could hurt themselves. If they fall on railings, they could kill themselves. Does that mean that we should remove every railing in Britain?

Walls collapse. In the 2007 storms, two people are known to have died from collapsing walls on the same day. Do we therefore knock down every wall in Britain? On the same night, people died from falling trees, roofs and sheds. These things happen. We absolutely should have appropriate health and safety and standards in construction and maintenance, but not the nonsense that we have had around the country. I could give huge numbers of examples, but I will not because of time.

We can imagine the distress caused to my constituents when they turn up and find the contractor staking their family grave or, as in one case, pulling and testing it with their hands until it moved, and then deeming it unsafe, because it finally moved.

What is the remedy? The remedy is good, clear guidelines, which I believe and hope have now been completed, that give a real risk assessment, not of the headstone, but of the whole public space, from the car parking to the railings and the path that people might slip on. As with any public space, there should of course be a rational risk assessment from time to time to ensure that it is properly maintained.

In Worksop cemetery in Bassetlaw, on my risk assessment—I am trained more widely as a risk assessor—the biggest danger is slates falling on someone's head and damaging them from the roof of the local authority building that has not been properly maintained. That is what needs repairing, not the headstones.

In Langold cemetery, the danger is not fallen stones—there are none, because they have all been staked. The danger is that, because car parking has not been properly addressed, there is no proper turning circle, so a small child could be run over at the end or beginning of a funeral because a car has not been parked properly. Those are real risk-assessment issues.

In the guidance that I hope to hear, there would be nothing about staking, and all stakes would be removed. The stake at an angle is a trip risk; the stake higher than the headstone is a slip risk; and the stake that splinters because of weathering is a risk on both counts, and it carries a greater risk of impaling someone. The stake itself is a health and safety hazard.

We need proper consultation of families.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): May I suggest that my hon. Friend look at the work of the Ford Park Cemetery Trust on its website? If he does so, he will find an example of how the community has become involved in taking care of a huge cemetery. I am sure that the trust will be grateful to him for the work that he is doing to draw attention to this very serious problem.

John Mann: I shall have a look at that site.

Finally, local authorities and other burial authorities need to negotiate with the stonemasons regarding the tiny number of headstones that need some work. That way, the masons who make money from putting them in inappropriately fix them at their own expense, and the local authorities can fix the unknown ones that need a bit of work. We could then all move on.

It is clear what the Health and Safety Executive thinks. A letter was sent to me today, in which it states:

> "The risk of harm from an unstable memorial is low, very low. Thus, control measures should be proportionate to the risk, and the assessment should aim to identify memorials that present real and immediate danger".

That means virtually none of them, just as most railings, walls, trees and roofs in this country are not a major risk. We need common sense. Let us finally, Minister, have the common sense in time for Christmas so that, rather than having to read the funeral planners' booklet on a not very merry Christmas, people can go and pay their respects in dignity and peace at their family grave, without the indignity of tape, stones laid down, or stakes. Let us get those things cleared, so that the world can move on rationally with decent health and safety.

It is bonfire night tonight, and I have a proposal for the Minister. A bonfire of the stakes will be an appropriate sign to the people of Britain that we take health and safety seriously and that the over-zealousness of the local authorities that have gone mad on the issue can be reined in, so that the dead can rest in peace.

4.15 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): My hon. Friend the Member for Bassetlaw (John Mann) began his remarks by saying that they would be a eulogy. I must say that they were more than that: they were inspiring and overwhelmingly persuasive. It has been a joy to work with him on ensuring that what he wants to achieve—he has been working on this for some time—will soon be achieved, finally.

Clearly, how we treat our dead and those who mourn provides a fundamental indicator of the kind of society we are. As my hon. Friend said, we should therefore be treating our dead with decency and respect. Most importantly, we should be treating their families with the sensitivity and understanding that they need, particularly at the moment of bereavement.

Our policy on graveyards consists of three key principles: that the public have a realistic choice in the funeral arrangements for their relatives; that the services provided by burial authorities are professional, caring and sensitive to the needs of ethnic minorities and religious communities; and that local burial facilities provide a fitting environment for the bereaved and enhance the life of the community.

[Bridget Prentice]

Burials need to be carried out according to the relevant law and procedures, and the public need to have confidence in how their graveyards and burial grounds are managed. Cemetery services must also be consistent with our broader aims on the environment and cultural heritage.

As my hon. Friend pointed out, the vast majority are owned by, and under the responsibility of, local authorities, although some are run by the Church of England and other churches, and there are some private and charitable graveyards. They each have responsibility for their burial grounds. The Government do not run or own burial grounds, but we set the legal framework within which operators must work. We can therefore influence how burial grounds are managed by providing the advice and guidance that my hon. Friend seeks, as long as they bear in mind the general principles that I have set out.

We have done a lot of work recently to take forward the policies for improving our burial grounds and the way in which cemetery services are provided. For example, we now have an advisory group of professionals who bring their expertise to the issues and problems that our burial grounds face, and we have carried out independent research into cemetery management. Additionally, we have finally undertaken a survey of burial grounds throughout England and Wales. We have also published the guidance for burial ground managers that my hon. Friend referred to, and conducted a review of burial law and practice.

Last year, we announced our response to the public consultation exercise on burial law reform. That identified a number of measures that we intend to take, including dealing with the shortage of burial space and the state of repair of some burial grounds. We intend to look at the case for modernising burial legislation. Those measures will help local authorities, and other providers, to ensure that their communities have burial facilities of which they can be proud and that will accord with the three principles. Although the provision of such facilities is an essential service, members of the public want cemeteries that provide a peaceful place for contemplation. They want a place in which they can remember the lives of local people and they want it to enhance their local community. Those are the reasons why the public are so concerned about the way in which some burial authorities have dealt with safety issues.

The safety issue is not new. It has been known for years that, very occasionally, a loose or unstable gravestone can, and does, cause injury. In a very small number of cases, the incident has resulted in death. Our hearts go out to the families of those who have died in such circumstances. Burial ground operators have a legal duty to ensure that they manage the risk of injury that can be caused by a broken or unstable gravestone. They also have a duty to manage other risks associated with the operation or maintenance of the burial ground. My hon. Friend mentioned car parking, but it can be the state of the road or the level of the kerb. Those risks can affect how safe people feel in graveyards.

Unfortunately, some burial ground operators, including those in my hon. Friend's constituency of Bassetlaw, have completely overreacted to the problem of unstable memorials by supporting many gravestones with stakes, or even laying them down. As my hon. Friend said, taking such steps may increase risk rather than diminish it, or may even create a new safety hazard in its own right.

Initially, the various burial professionals tried to provide guidance for their members on how to deal with the problem. However, that led to inconsistencies in approach. Our advisory group agreed to consider whether national guidelines should be formulated. Such agreement was hard to achieve because there were different views about how the problem should be tackled. After considerable thought, we decided to address some of the worst aspects of the actions that were being taken. Our advice was contained in a letter signed jointly by the relevant Ministers, and the chairmen of the Health and Safety Commission and of the Local Government Association. We said that the risk of an accident happening was low and that the action taken to manage that risk needed to be proportionate. We also said that it was essential to keep the families affected informed of what was happening.

That advice still holds true, but burial professionals have told me that practitioners need further practical advice to help them achieve their responsibilities. I agreed to consider what else could be done to help assess the risk of an accident happening, and then how to manage that risk proportionately and sensitively. We have been working with representatives from the HSE to develop such guidance.

I am pleased to say that the guidance is nearly complete. I know that my hon. Friend has been assiduous in ensuring that the draft guidelines, and the more complete guidelines, were not inconsistent. He has given us very good advice on how to tighten up some of the areas. I hope that we have now responded to the issues that he has raised, and that we have included his ideas in the new guidelines.

Last week, the Burials and Cemeteries Advisory Group agreed that, with minor revisions, the guidance could be published. The guidance included adopting, as far as possible, the helpful suggestions made by my hon. Friend during this debate and during a meeting we had a couple of weeks ago. I assure him that we will publish the guidance as soon as possible. It is basically a statement of good practice. It will demonstrate that burial ground operators should do what is reasonable and practicable to manage the risks associated with memorials as the law requires. It stresses a simple and proportionate approach to inspection and assessment.

The guidance has the support of all those in the burial industry, including the authorities, the masons and the managers. They have worked hard to develop it, and once it is published we expect them to take ownership of it and promote its use among their respective organisations.

John Mann: Am I correct in saying that the discussions between the various parties have now been concluded and that it is a question of publishing the guidance rather than continuing with the negotiations? Will the Minister also say whether it is appropriate for local authorities to be removing the health hazard—the stakes themselves?

Bridget Prentice: I was coming to that suggestion. My hon. Friend anticipates me in a positive way. The guidance will bring to an end the distressing sights of row upon row of uprooted or pushed-over gravestones, or those ranks of ugly metal stakes. I hope that it will

also reduce the number of graves that are disfigured by the hazard tape and insensitive warning signs. In most cases, there is no need for action, for special equipment or for contracting in expert advice. My hon. Friend the Member for Rossendale and Darwen (Janet Anderson) gave a good example. She ran a campaign, calling on her own local authority to use in-house expertise. The authority now trains its own people to deal with the matter sensitively.

My hon. Friend the Member for Bassetlaw made an important point about gravestones that have already been staked or laid down. Obviously, the action that will be taken will depend on specific circumstances. However, we have made it clear, and it is now on the record, that the guidance is about to be published. Any local authority worth its salt will now start preparing to incorporate that guidance. There is nothing to prevent them from behaving as if the guidance is already in place. I hope that the authorities will be contacting the burial ground owners to agree on how to proceed. I expect burial ground providers to review the decisions they have taken in all of the relevant sites in the light of the guidance. Where there is no good reason for a gravestone to be staked or laid down, I urge the council to restore the monument to its previous position. The council may follow the example that was given by my hon. Friend the Member for Rossendale and Darwen and pay the cost of so doing. That will mean removing the stake or re-erecting the headstone, as appropriate, at a cost to the authority rather than to the individual bereaved families.

As my hon. Friend the Member for Bassetlaw said, any death or serious injury in our cemeteries caused by an avoidable risk is a tragedy. Sadly, some of those deaths have been of children. However, we should not lose sight of the fact that those incidents are extremely rare. By contrast the number of families who have been distressed by the precipitate action of authorities to make gravestones purportedly "safe" is very large—859 in the constituency of Bassetlaw alone. If that was reflected across the country, we would see many thousands of families being distressed by this clumsy way of dealing with what is an incredibly low risk.

Our cemeteries can be beautiful places for contemplation, but they are also a working environment. I say to my hon. Friend, I hope that this Christmas, families can visit the graves of their loved ones—in his constituency and elsewhere—knowing that the memorials will remain in place in respect of their memories.

Allotments

4.30 pm

Mr. John Leech (Manchester, Withington) (LD): It is a pleasure to serve under your chairmanship, Mr. Cook. I am delighted to have the opportunity to debate the provision of allotments by local authorities and delighted by the amount of interest that the debate has generated, which is reflected not necessarily by the number of people who have turned up but by the number of e-mails and telephone calls that I have had from people around the country and other hon. Members who have taken an interest. The hon. Member for Wirral, South (Ben Chapman) has a particular interest in the issue, but cannot be with us this afternoon.

The issue is particularly important in my constituency and has become far more important in the past few years. I thank the eight Greater Manchester local authorities that took the time to provide me with information for this debate showing the lack of available allotment plots in Greater Manchester. To give a few examples, Bolton has 1,000 allotment plots and a waiting list of 200, with average waiting times of 18 months. Bury has 516 plots and a waiting list of 378. Oldham has 431 plots and a waiting list of 220. Rochdale has 450 plots and a waiting list of 175. Salford has 356 plots and a waiting list of 291. Stockport has 1,203 plots and 394 people on the waiting list. Trafford has 1,500 plots and 600 on the waiting list, and some people there have to wait up to six years. Finally, Wigan has 317 plots and 800 on the waiting list, often with a wait of three to four years.

Unfortunately, I could not get any information from Tameside borough or my own council, Manchester city council, but the figures, despite being incomplete, show that more than 3,000 people are on waiting lists for allotment plots in Greater Manchester. Although I could not get figures for Manchester, I did get some for my own constituency from the Association of Manchester Allotment Societies showing that my constituency has 450 allotment plots and 280 people on the waiting list. That is in just one of five constituencies in Manchester, which shows the scale of the problem across the city.

The situation has been worsening over the past 10 years, and waiting lists have lengthened with no sign of demand being met. Ten years ago, the situation in Manchester was somewhat more mixed. For example, there were plenty of empty plots at Southern allotments in my constituency, and there was even talk of the site not being an allotment site in future, but today it is full. Other sites were full 10 years ago and are now more so.

Attitudes to allotments have changed. Long gone is the image of the allotment holder as a retired man. Allotments have surged in popularity among young people, particularly women. There is no obvious single reason for that increase in popularity, but significantly more people in south Manchester live in flats and apartments with little or no outdoor amenity space, which has led more people to look to allotments as a means of accessing outdoor space.

Mark Williams (Ceredigion) (LD): I know that my hon. Friend will acknowledge that the problem is not specifically an urban one. I represent a rural constituency where we face the same problems as the voters of the Greater Manchester area. He talked about young people's

[Mark Williams]

renewed interest in allotments and growing their own produce. Will he consider the transition towns movement in constituencies such as mine, which has engaged people of all ages in developing community gardens? An innovative scheme in my constituency is the "adopt a garden" scheme, which uses gardens that are not as productive as they might be for the good of those people.

Mr. Leech: People in my constituency are certainly looking into using abandoned bits of land as community gardens. They are not suitable for allotments, but they are suitable for community gardens. That should help to provide outdoor amenity space.

There are many different reasons why people are interested in taking on an allotment these days. A lot of people now see it as a particularly good way to keep fit and healthy, an opportunity to grow their own produce and a way to cut down on food miles. However, I am afraid that it looks as though the situation is getting worse. Didsbury faces a further threat to allotments from the Environment Agency's plans for essential flood defence work. The agency's preferred option is to cut a channel through the Bradley Fold allotments, which could result in the loss of up to 40 plots.

Local councillors and I have been supporting allotment holders opposed to that option, which I think was proposed only because the Environment Agency thought that it would be the cheapest and easiest option. However, I am confident that during the consultation period, the agency will come to agree that there is a more cost-effective solution that will avoid impacting on the allotments, because the agency does not appear to have taken into consideration the need to find an alternative site for the displaced allotment holders.

The waiting list for my constituency is not unusual. The figures for Greater Manchester show a consistent pattern of high demand and lack of supply. In previous debates in the House, other hon. Members have highlighted similar shortages in their constituencies and local authorities.

So what is the solution? Locally, I have sought to persuade the council to increase the number of available plots. At Southern allotments, after discussions with members of the Association of Manchester Allotment Societies, I introduced proposals to extend the site on to adjacent land, creating an additional 20 to 30 plots at very little cost. I have also encouraged the use of section 106 money from developments to expand and improve allotment provision, and I know that other hon. Members have suggested that as a good way to get extra resources to put into new allotments.

We have also urged the council to reopen the former Parrs Wood allotment site, which was closed several years ago to be sold off for development. The site was never sold and has been allowed to become overgrown. So far, unfortunately, the council has refused to agree to reopening it, with the feeble excuse that the quality of the ground is not good enough for an allotment site, even though it used to be one.

Even if the council agrees to reopen Parrs Wood allotments and expand Southern allotments, Manchester would still have a massive shortage of plots. What can be done to ensure that local authorities provide an adequate number of allotments? The Small Holdings and Allotments Act 1908 seems pretty clear that if there is a demand, the local authority has a statutory duty to provide a sufficient number of plots. In a previous Westminster Hall debate, the then Minister said:

> "The council must assess whether there is demand for allotments in its area. If it decides that there is, it has a statutory duty under that Act to provide a sufficient number of plots."—[*Official Report, Westminster Hall*, 22 July 2008; Vol. 479, c. 235WH.]

Does the Minister believe that waiting lists of more than 3,000 indicate that Greater Manchester has a sufficient number of plots? Is a waiting list of 280 for 450 plots in Manchester, Withington alone a sign of sufficient provision? I would argue that it is not.

In the most recent publication of the magazine of the National Society of Allotment and Leisure Gardeners, there is an article by a lawyer called Bryn Pugh, which states:

> "It is arguable, in strict legal theory, that if there be a single person on a waiting list for an allotment, the municipal authority in quo is in breach of statutory duty. This statement might raise hollow laughter from those who are in areas where a would-be plot holder is more likely to accede to a burial plot before an allotment plot."

Can the Minister comment on that view? Does he agree that this is a breach of statutory duty?

It is clear from previous debates on allotment provision and also from recent parliamentary questions that the Government have been reluctant to take the initiative and enforce the relevant legislation. Local authorities continue to exploit the Government's reluctance to act by clearly breaching the 100-year-old legislation. Unless we take action now, the situation will only get worse.

The Government need to issue further guidance to make it absolutely clear to local authorities that they have a responsibility to provide allotment plots. Perhaps the Minister could also provide guidance on the use of section 106 money from developments to increase the provision of allotments. Ultimately, however, if local authorities continue to ignore the guidance, the Minister seriously needs to look at finding ways to compel them to comply.

4.41 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I thank the hon. Member for Manchester, Withington (Mr. Leech) for securing this debate and I congratulate him on keeping this matter at the front of our consideration in our debates in Westminster Hall. I should also like to thank both the hon. Gentleman and the Minister for allowing me to speak very briefly before the Minister replies.

It is very appropriate that we are discussing this matter at the time when allotment plots are traditionally re-let, at the end of the autumn season. I would also like to thank the Croydon Federation of Allotment and Garden Societies, the Park Hill Allotment Society and the Norbury Park Horticultural Society for the advice that they have given me. I am also particularly grateful for the advice given to me by Croydon council, which is an excellent authority when it comes to encouraging allotment provision.

Nevertheless, Croydon is an example of many of the problems that are faced across the country regarding allotments. Sometimes the waiting list for allotments in Croydon is not too bad, compared with the rest of the country. Sometimes the wait can just be a few months,

but at other times it can be as long as 10 years. There is land within the borough of Croydon that was formerly used for allotments but is no longer being used. Unfortunately, I think that those resources are not being used by the council. Perhaps the council would argue that it would like grant money, and I would support it in that regarding allotment sites that are not being used. In one particular case, there are water problems with the area around South Norwood lake, so the council is not fully letting out allotments there.

Also, the Croydon Federation of Allotment and Garden Societies is in conflict with the local authority about whether or not the Small Holdings and Allotments Act 1908 and the Allotment Act 1887, legislation to which the hon. Member for Manchester, Withington referred, are being properly used in terms of the undertaking given in that legislation that money acquired from land that is sold that is statutory allotments land should be reinvested in allotment provision. Regarding this allegation by the CFAGS, I am advised that it has never been tested in law in front of the courts. Obviously it is disappointing to think that, within my borough, that money is not being reinvested as it should be.

In the remaining minute and a half that I give to myself, perhaps I can proffer to the Minister some possible solutions, because I think that we will not get very far if we ask the Government to conjure up land out of nowhere; instead, it is a matter of better usage of land. What the Mayor of London is doing, with his proposals for food for Olympians in 2012 that is provided by the use of roof gardens, is good. The policy that is being pursued by the Scottish Government, to try to encourage public bodies to identify land within their ownership for allotment use, is also good.

Furthermore, I am very encouraged by ideas that are being pursued for pensioners to consider giving up some of the land in their possession, in co-ordination with traditional allotment holders, in return for a share of the crops that come from that land. There is perhaps a role there for local authorities and Government, to ensure that there is due and proper process in this area.

Finally, I should like to highlight the very good work that is being done by Eastbourne council regarding allotments, bearing it in mind that Eastbourne is an area that a lot of people retire to. The council has a very open-minded approach, encouraging applications from people for allotments well in advance of their actual retirement.

I thank everyone very much indeed for allowing me to speak in this short gap between the two main speakers today.

4.45 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Sadiq Khan): I would like to begin by thanking the hon. Member for Manchester, Withington (Mr. Leech) for raising the important issue of allotment provision in this debate. I would also like to thank the hon. Member for Croydon, Central (Mr. Pelling) for his short but useful contribution.

Allotments are valuable green spaces, as has been said, and they provide many great benefits for communities. They play a vital role in connecting people to the process of food production and in promoting healthy eating. As was said during an intervention, there has been a revival in interest in "growing your own" fresh and cheap food, while reducing food miles. It may be a century since the Small Holdings and Allotments Act 1908 was passed, but allotments continue to provide benefits to their communities and to grow in popularity.

It has been commented that the age profile of allotment holders is growing younger. As far as allotments are concerned, I remember Arthur Fowler in "EastEnders". Although we do not have statistics on the age profile of allotment holders, we know from anecdotal evidence that, for the reasons that I have given, allotment users and those on the waiting list for allotments are getting a lot younger.

For many years, the Government have recognised the importance of allotments. The provision of allotments and their protection is set out in statute, as has been said, and my Department also offers guidance. However, I need to say at the outset that the provision of allotments is the responsibility of local authorities. Someone either believes in devolution or they do not; we believe in it. We believe that it is right and proper for local authorities to be in charge of the provision of allotments and for them also to be charged with the task of being responsible for allotments.

Mr. Leech: I accept that point about devolution entirely; I am a strong believer in devolution. However, does the Minister not accept that, even within the devolution framework, local authorities must work within their statutory duties?

Mr. Khan: I accept the point that the hon. Gentleman is making, but he needs to be quite clear. During his short speech, he said that he wanted guidance, action and compulsion. That makes me nervous, as someone who believes in people power at the lowest possible level. I was not clear if he was suggesting that the Big Brother state in Whitehall should step in and intervene on every single local authority to bring court cases and court challenges. Is that the policy of his party?

Mr. Leech: I was not for one second suggesting that the Government need to go with a two-footed approach to this issue. All I was saying is that, if local authorities are ignoring the guidance and the legislation, ultimately the Government need to take some additional action if local authorities refuse to abide by their statutory duties.

Mr. Khan: Before I continue with the rest of my speech, I think that the hon. Gentleman and those reading the debate need to be clear about the role of Government and the separation of powers. We pass laws and make legislation, but a good question, one that is worth asking, is who enforces those laws? We empower citizens to have rights to bring actions, if they need to do so. During the course of my short response, I hope that he will see that there is already sufficient guidance and legislation if constituency MPs and councillors wish to utilise them. I shall refer to that guidance and legislation further during my short contribution.

Of course, the hon. Gentleman is right to say that section 23 of the Smallholdings and Allotments Act 1908, as amended, places a duty on local authorities, except for inner-London boroughs, to provide allotments where they consider that there is a demand for them in their area. If a local authority is of the opinion that

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there is such a demand, they are required to provide a sufficient number of allotments for letting to those residing in the area who want them. The community can and should influence the provision of allotments. Written representations may be made to the local authority on the need for allotments by any six resident registered electors, or persons liable to council tax, and the local authority must take those representations into account. That is provided for in section 23(2) of the 1908 Act. It is for the council to decide whether there is a demand for allotments in its area, and it has a statutory duty to provide a sufficient number of plots.

The hon. Gentleman has rightly pointed out that the legislation is more than 100 years old, but we do not believe in scrapping legislation simply because it is old, especially if it is good after amendment. The legislation means that allotments are uniquely protected. Under section 8 of the Allotments Act 1925, allotments cannot be treated as previously developed land. That makes it very difficult to dispose of or build on them. A council may dispose of an allotment only in exceptional circumstances, if it can fully justify to the Secretary of State, against robust criteria, that there is a need for a change.

We have discussed the roles of Government and Parliament. Our role covers disposal, and there are robust criteria for the Secretary of State to use when a local authority wishes to dispose of allotments. If the hon. Gentleman has an example in which his local authority, or a local authority near to him, has disposed of an allotment, I will be happy to ask my right hon. Friend to look into that.

Our guidance on open spaces supports the legal framework, and in 2002 we sought to strengthen protection. In 1998, a Select Committee inquiry into allotments concluded that the criteria for assessing the disposal of statutory allotments were too weak. As a consequence, they were strengthened and reinforced in 2002 by the revised planning policy guidance note 17 to ensure that the community's need for the allotment in question would be taken into account, and that it would be considered surplus to need. That has had the impact of slowing down the loss of allotments. So, there was legislation in 1908 and 1925, a Select Committee report in 1998 and Government guidance in 2002, and far fewer allotments have been lost as a result.

Through PPG17 and planning policy statement 3 on housing, the planning system provides a robust framework for the protection and provision of all types of open space, including allotments. PPG17 advises local authorities to provide for all types of public open space. It expects them to undertake robust assessments of local need, to audit existing open space and to establish standards for new provision. Local authorities should use that information to plan how to meet their population's future needs and to place standards of provision in their development plans. I hope that when local authorities prepare development plans, they will take into account the fact that younger men and women want to use allotments, perhaps as part of a lifestyle choice.

Mr. Leech: The Minister misses the point when he talks about the Government having strengthened the legislation to prevent the further sale of allotment sites. I accept that the legislation has been improved in that respect, but no action has been taken to deal with increased demand and the need for more allotments. This is not simply about preventing their loss.

Mr. Khan: I note the time and the tenor of the debate, Mr. Cook, and I do not want to cause offence, but I inevitably will. The hon. Gentleman cannot have it both ways. He does not want a Big Brother Government, but he wants us to intervene. He and his colleagues complain about developments on the green belt, but there is a demand for housing and finite space. Last time I checked, we were an island. He thinks that we should demand that local authorities provide more space for allotments because of demand, but supply and demand work in funny ways.

We believe in devolving powers down to local authorities, and that councillors—I used to be a councillor, and so did the hon. Gentleman—are the right people to devise and decide on development plans. I believe that communities have the skills, the advocacy and the intelligence to elect councillors who will deliver on local community's needs. I do not believe that the Government, including those of us who are based in Whitehall and are not connected to Manchester because we are MPs for places such as Tooting, are the best experts to decide what should go on in his area.

If the hon. Gentleman's points prove to be properly made and there is sufficient demand to justify the provision of more allotment space over the provision of more housing, schools, community centres or open spaces, he should make that argument to his local authority.

Mr. Pelling: As a south London MP and a former councillor, I agree entirely that it is important to give local authorities discretion. Nothing irritates more than the taking away of such powers. Would it help the Minister, in setting any future legislative framework, if I gave him more detail about the case that I have mentioned? Allegations have been made that the legislation, which we think might be satisfactory, is not being followed, because money is not being transferred in relation to statutory land. Would that guidance help with continuing policy?

Mr. Khan: As a new boy in week five of this job, I welcome advice, and I would be keen to look into such examples.

As the hon. Member for Manchester, Withington has pointed out, a local authority can use section 106 agreements to get the maximum possible planning gain for the local community. He has given good examples from his community in which the local authority has taken advantage of that facility. I repeat that it is the local authority's responsibility to ensure that allotments are properly provided for and managed.

We have mentioned disposal. The Government and I believe in devolution and that local authorities are best placed to ensure that there is local provision. However, that does not mean that we cannot do anything, or that we will wash our hands of allegations of malpractice or of local authorities not discharging their duties under legislation, not following guidance or not keeping to the spirit of guidance.

In June 2007, we revised our guidance for plot holders and ensured that they know their rights. That is another example of how we are empowering citizens to know their rights. We are not just talking the talk, but walking the walk. In the past year, we have worked closely with the Local Government Association to update and produce a second edition of "Growing in the Community", which was launched in March. The updated guide reflects the significant developments in the allotments movement since 2001. It contains excellent examples of current good practice and shows innovative uses of allotments benefiting all sections of the community and highlighting their importance in promoting health, community engagement and community cohesion. Indeed, we could be said to be victims of our own success. By encouraging the use of allotments and encouraging plot holders to follow good practice, we have encouraged more people to want allotments. We cannot have a dam holding back demand, especially if there is also a need.

We are working closely with organisations that have an interest in allotments to consider how to engage with local authorities more effectively to ensure that they are clear about their responsibilities under legislation and planning guidance. We want to use that partnership work to build on current guidance and to ensure good practice. If the hon. Gentleman wants to write to me about any matters with which he thinks I can assist him, or help to lubricate the machine within the authorities, I am happy to endeavour to do so. The same applies to any examples that he might want me to follow up.

We recently gave a grant to the Federation of City Farms and Community Gardens to deliver support and best practice in relation to allotments, and to enable better dialogue. My colleague, Baroness Andrews, has taken a lead in those dialogues and will continue to support the work of partners, including allotment representatives, better to address the issues that allotment authorities and users face. Further provisions on community empowerment will be announced in the Queen's Speech, giving citizens more rights to bring pressure on local authorities. I suspect that allotments are one area in which they will bring pressure.

To summarise, my Department is committed to allotments, and there is a strong legislative framework in place. There is also planning guidance on open spaces, encouraging local assessments on provision and need, and a policy of empowering local communities to highlight their needs. I congratulate the hon. Gentleman on securing the debate. He has been a passionate advocate for these issues in his community. I thank hon. Members present for staying behind at this late hour to listen to the debate, and I hope that those who read the report of the debate will be encouraged and reassured that the Government take their concerns seriously.

Question put and agreed to.

Adjourned accordingly at one minute to Five o'clock.

Westminster Hall

Thursday 6 November 2008

[DAVID TAYLOR *in the Chair*]

Rented Housing

[Relevant documents: Eighth Report from the Communities and Local Government Committee, Session 2007-08, HC 457, and the Government response, Cm 7326.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Helen Goodman.]*

2.30 pm

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): In opening this debate, I should like to put the report in the context, first, of the work of the Select Committee on Communities and Local Government and, secondly, of the wider situation. While the report was being written, and certainly subsequently, a great many other reports have been published and there have been other developments that relate to the topic.

To put the report in the context of the Committee's work, it follows our earlier report on the affordability and supply of housing which focused largely on the housing numbers that are needed for affordable ownership, although it also recognised the additional numbers that are needed for affordable renting. Of course, we all know that home ownership is incredibly important and that the majority of people, if they do not already own a house, aspire to home ownership. That is not everyone, however, so it is extremely important to look at the social and private rental sectors which, between them, cover 30 per cent. of the housing stock and meet crucial housing needs. That is why they were the subject of the report.

The report was published in May 2008. We began the inquiry in autumn 2006, and held a total of seven oral evidence sessions and went on three visits. Our first visit, to an inner-London housing estate, was organised by my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck). We are grateful to her for organising meetings with a variety of tenants so that we could understand the problems that private sector tenants face in that part of London, although I am sure that the experience is relevant to other inner-London areas. Secondly, we went to the north-west, to Manchester, and looked, among other things, at city-centre housing developments and one of the pathfinder areas. Thirdly, we went on a visit to the Netherlands. It was extremely interesting to see how its social housing organisations operate, and we drew particular attention to a couple of lessons from the Netherlands experience in our report.

I should briefly mention other relevant reports and documents: Professor Hills's review on the future of social housing; the Cave review of the regulation of social housing; the Housing and Regeneration Act 2008; the Rugg review of the private rented sector, which is more recent; and the housing Green Paper. Of course, we have had the turbulence on the financial markets and the credit crunch since publication, so those developments are not reflected in our report. Clearly, the credit crunch has had a very serious effect on the housing market overall, but the Committee would insist that, despite the difficulties that people currently experience in buying houses and the effect on the rental sector, the underlying housing need, for both ownership and rental housing, remains unchanged. The Committee's recommendation that the Government fulfil their targets on new house building and, especially, that they deliver 50,000 more social rented properties, therefore still applies, although we recognise that the targets are now much more difficult to achieve.

I should like briefly to outline the key findings of the report and a couple of general findings, then go through tenants' experiences. I shall then make specific comments about social rented housing and private rented housing, as well as housing providers, and make some general conclusions. The two key general findings were, first, to remind the Government, if they need reminding, that rented housing is an important part of housing provision. The Committee thought that Government policy has up to now rather favoured the interests of owner-occupiers, and that it needs to give greater attention to the needs of tenants in both the social and private rented sectors. Secondly, the Committee wanted to stress the point that if we are committed to everyone having the opportunity of a decent home, at a price they can afford, within a sustainable community, that must apply both to people who rent and to those who buy.

Some of the experiences of tenants are shared across the social and private rented sector, but we recognise that there is huge variety of experience in both sectors, and that there are often big geographical variations. There is a general feeling that there is a view out there among the public, and perhaps in government, that renting is second best and, in a sense, a default option, and that ownership is what everybody aspires to. That is especially applicable to the private rented sector, parts of which have an image of being poor quality and of offering not many rights, and definitely not something people would want to be in if they could manage to be in their own home.

There are reasons why rental housing is an extremely sensible option for people, either throughout their lives or during certain phases. Most obviously, younger people at the beginning of their professional lives often want to move quite frequently from one area to another. It is not sensible for such people to get into home ownership; the rental sector, especially the private rented sector, gives those rather more mobile individuals the freedom to move around without the high transaction costs that people incur if they get into ownership and selling. The rental sector is also an option for elderly people who do not want the responsibility of maintaining a property. It also provides the option for many people on a low income of a decent home with security, which they would not be able to get in any other way.

We asked for rental to be recognised as a valid and valuable option, and highlighted various ways in which the experience of tenants could be improved. Certainly, it is important for social rented tenants that their housing is within mixed communities. The Hills report, I believe, highlighted the severe problems that arise when social rented housing is concentrated in areas with no other form of housing tenure, especially given that the shortage of social rented housing tends to mean that tenancies are offered only to families or individuals in extreme need, many of whom are extremely vulnerable. There

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tends to be a great concentration of problems, which reinforce one another and reinforce disadvantage, if we do not have mixed communities.

In the private rented sector, tenants feel strongly that the regulatory regime needs to be strengthened, particularly at the lower end. Several organisations pointed out that demand exceeds supply at that end of the sector, so the market does not work: individuals have to take whatever is on offer because there is not enough affordable private rented accommodation. That does not apply at the top end of the private rented market, which can operate well.

Mr. Philip Hollobone (Kettering) (Con): I commend the hon. Lady on the Committee's report and good works. While she is encouraging thoughts of Leonard Rossiter as Rigsby in "Rising Damp", will she comment on the number of empty properties across the country? I believe that the latest figures for England put the number at something like 670,000, of which 80 per cent. is in the private sector. Does she agree that the Government's target to reduce the number of long-term empty properties by 25,000 by 2010 is inadequate, and that it will not go nearly far enough to address the problems that she is rightly highlighting?

Dr. Starkey: The hon. Gentleman tempts me into studies that the Committee has not done. The Housing (Empty Dwelling Management Orders) (Prescribed Exceptions and Requirements) (England) Order 2006 allows local authorities to refurbish and make available empty properties that are not being used. The Committee has considered the need to examine that issue in future. When we do so, we will report to the House. At present, we do not have any detailed evidence on the matter.

I caution the hon. Gentleman against thinking that simply bringing empty houses into beneficial use would solve the problem, as the number of such houses is not sufficiently large. He gave us a snapshot figure that may include houses that have been empty for a relatively short time. Obviously, there will always be some empty houses that are being bought and sold or whatever. Therefore, it is an issue, but, numerically, it is not that important.

Jeremy Corbyn (Islington, North) (Lab): My hon. Friend must be aware of the shortage of rented accommodation in the private sector, and of the way in which the exorbitant rents are often paid for through housing benefits. That means that we end up with a huge public sector subsidy to a private sector market, which is often providing the low-standard, if not disgraceful, accommodation for people in desperate need. Does she not think that we need to consider the rent levels that are being charged, particularly to the most vulnerable people? Such people end up in a benefits trap simply because they are in private rented accommodation.

Dr. Starkey: I am coming on to that point later on, so I will be grateful if my hon. Friend waits until then for my answer.

In fact, my next point is about housing benefit, which was highlighted by my hon. Friend, and it backs up what he said. The tenants in Regent's Park and Kensington, North experience a problem that is particularly prevalent in London, and it may also apply in some other inner-city areas. There is a huge shortage of social rented accommodation. Councils are discharging their responsibility to house homeless families by using the private rented sector in which the rents are exorbitant, often for former council properties. The effect for the tenant is to trap them in worklessness, or at least in not working more than the 16 hours a week they are permitted to work without losing benefit. One tenant gave us a very graphic description of the insecurity that such a practice raised, which we have included in the report. She said that she had to be careful about the amount of work that she was doing. Were she to trigger the removal of housing benefit, she would be left paying a rent that was clearly out of her reach and that would require her to become a minor stockbroker to be able to pay. It is unsatisfactory that housing benefit in such a situation encourages, if not obliges, people not to work. That obviously needs to be sorted out. Moreover, councils are paying large amounts of money to private landlords.

Mr. David Drew (Stroud) (Lab/Co-op): My hon. Friend will know that there have been changes to the way in which rent allowances work. We are now looking at a much wider geographical area, and I am experiencing the other side of the problem. People who used to receive a much higher level of housing benefit have been told that that benefit has been capped, and there is a difference between what they can pay and what the landlord is charging, so they face homelessness. There is therefore another side to the matter. We need to consider how to manage the changes, and it shows how complex housing benefit has become.

Dr. Starkey: Absolutely. I am sure that the Minister will have noted that point and may respond to it in her speech.

The tenants to whom we spoke raised another point related to the social rented sector. There is an overall shortage of social rented properties, particularly of family-sized houses, which is partly a reflection of the right to buy. Obviously, the attractive properties are more likely to have been bought. In some areas, it is family housing that has been bought under the right-to-buy scheme, and it may even have moved on to subsequent owners. Councils are then left with a lot of smaller properties, including flats. As a result, many families with children are trapped in council properties that are too small. Councils are unable to offer them alternatives, so their only option is to leave social rented housing and move into the private sector, which they are not keen on doing because of the lack of security of tenure.

Finally, the private and social rented sectors need to increase the involvement of tenants in the management of their homes. The Tenant Services Authority was formed after the inquiry finished, and the Committee recently conducted a pre-appointment hearing with the chief executive and the chairman. The TSA will start to address the issues soon.

Andrew George (St. Ives) (LD): The hon. Lady will know that I joined the Committee right at the end of the production of its report. Is there sufficient evidence to expand the point alluded to by the hon. Member for Stroud (Mr. Drew), namely the disjunction between the

local reference rent, as set by the rent officer—and the implications that such a rent has on the level of housing benefit that is payable—and the actual rents that are charged in the private sector? There is a big mismatch there. Does the hon. Lady accept that the significance of the poverty trap that she was talking about earlier is partly to do with the lack of gradation in the way in which housing benefit is made available?

David Taylor (in the Chair): Order. Interventions should be short. Members have an opportunity to make a speech later.

Dr. Starkey: I do not think that we heard much evidence on that specific point, although the Committee made a recommendation in relation to the single-room restriction for young people. The Minister has been listening to the interventions, and may seek to respond to them.

Let me summarise the main points that came out of our work on the social rented sector. The Committee strongly reiterates its previous recommendation that an extra 50,000 social rented homes are necessary every year significantly to reduce the backlog in demand. Building rates are still below that level, and the recent credit crunch has made the situation even worse. The consequences of the shortage of supply include what has been described as residualisation, to which I have alluded. If an individual is to be offered a social rented tenancy, they have to be in extreme need, which can lead to a concentration of individuals and families with extreme need in social rented housing, and has consequences for others who live in that area, as it reinforces disadvantage.

Mobility within the stock is extremely low. Tenants who are in a property which may be okay but not appropriate for their needs, either because their family has expanded or contracted or because their employment has altered, find it difficult to move to another property. The Committee wants the Government to explore every possible option to try to ensure that they meet the need for 50,000 extra social rented homes a year. Such an increase could come through planning gain, arm's length management organisations, and councils themselves.

Section 106 agreements are incredibly helpful in levering in private money to subsidise social rented and shared ownership housing, in addition to direct housing grant. We were concerned that some section 106 agreements have resulted in too high a proportion of new social housing being built as flats, when accommodation for families is usually what is required. We also believe that the Government should take action to ensure that new affordable housing is directed at the areas of greatest need, and not simply in the areas in which the developers choose to build market housing, although that may be the area of greatest need.

We believe that reforms are needed to enable councils easily to reinvest right-to-buy receipts in the construction and acquisition of new homes, and that the Government need to review the effect of right-to-buy sales on individual neighbourhoods. We drew that lesson from the experience in the Netherlands, which has a similar scheme to right to buy for social housing sales, but where localities agree to a strategy. If there is a shortage of social rented family homes, for instance, in a particular area, restrictions are put on the right to buy for that type of property. The scheme does not allow any particular type of property in great demand for social renting to be sold on the private market and lost to social housing.

We commend that scheme to the Government as a system that could be used where appropriate. In fact, we also suggested that the Government consider another aspect of the Dutch system, namely giving financial guarantees to social housing providers to mitigate their risks in non-core and income-earning activities. We are pleased that the Government have accepted that recommendation and agreed to look at the Dutch experience to see whether it is applicable here.

We also suggested that there is a need for measures to ensure the more efficient use of existing social rented stock and greater encouragement and support for social tenants who wish to downsize. Elderly people are often quite happy to move out of their social rented property into more suitable sheltered housing, freeing up a family home, but the right social rented properties might not be available for them to move into, or they may need help with moving costs. The latter would be a good investment if it freed up a family home.

We believe that the Government should make more progress with national mobility schemes and choice-based letting, and that they need to build on the decent homes programme, which has been extremely successful in upgrading social rented properties, to ensure that ongoing maintenance of social rented stock occurs at a standard that maximises supply and minimises the cases in which social properties are left vacant because they are in an appalling condition and the council does not have enough money to bring them up to standard.

In the medium to long term, the Government and the wider social rented sector must come to a conclusion about what they believe the role of the sector to be. Is it, as at the moment, simply to provide accommodation for those in the greatest need, or is it to be bigger than that and provide a much wider range of people with security of tenure and the chance to improve their livelihood? Unless the Government answer such philosophical points, we cannot come to a conclusion about how many more social rented houses we need and how important they are in terms of funding.

Mr. Drew: I happen to be in an area that considered large-scale voluntary transfer and rightly rejected it. As a result, we now face the punishment—I put it no more weakly than that—of having some £6.8 million a year taken from our rents and put into a central pot. That is a source of aggravation for my constituents. There may well be some simplification in how the sums are managed, but it looks like a punishment to local authorities whose housing remained in local authority ownership, so Government must quickly resolve the problem.

Dr. Starkey: Indeed. I shall come on to the housing revenue account. The social rented sector covers housing associations, arm's length management organisations and council properties, and there are advantages to all three.

Turning to the private rented sector, there were a number of points that we wanted to make. I reiterate that the private rented sector is extremely diverse. Large parts of it benefit from good-quality and excellent landlords and provide for real need. However, other parts are of extremely poor quality. For example, the private rented sector has the least fuel-efficient housing of any sector in this country. At the low end, some private rented properties are of very poor quality, have

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appalling management who offer poor service generally in respect of repairs and maintenance, give tenants little security and are, moreover, extremely expensive. We focus most of our attention on that unsatisfactory bottom end rather than the whole sector.

We think that there is a great need for more variety in the length of tenancies available. Many private tenants are concerned by the fact that tenancies seem to have very little security and that people are forced to move frequently. That is particularly important where people have been directed by councils to the private rented sector because insufficient council accommodation is available.

We believe that the Government should have responded to the Law Commission's findings and its suggestion of a common tenancy agreement that would apply across the social and private rented sectors and give more security. The Government have still not responded to the findings, and we wish that they would. I note that the private rented sector report by Rugg and Rhodes suggests that there should be more concentration on the reasons why tenancies fail, rather than a focus just on the contract.

The Committee recommended at the time that greater research should be done on the effect of buy-to-let investment and how the resources of public sector bodies could be used to direct private sector investment into appropriate areas to create more mixed communities. We noted that poor management often occurred with what the sector called "pop and mom" landlords, or private individuals who bought one, two or three properties as a way—so they thought—of accumulating capital. Such properties were often extremely poorly managed. Personally, I think that the credit crunch has reduced the urgency of some of the Committee's concerns about how buy to let operates, but some still remain.

We are concerned about the regulation in general of the private rented sector. Again, the Rugg and Rhodes report suggests light-touch regulation across that sector, and the Committee agrees. The licensing regime for homes in multiple occupation definitely needs to be strengthened, and local authorities should be encouraged to prioritise problem landlords in the HMO—houses in multiple occupation—sector. We think that that would provide a good foundation for introducing a system of accreditation for landlords and letting agents, devised by trade bodies and enforced by the involvement of local authorities, with ultimate oversight by the TSA. That would be in line with what the Rugg report suggests. Interestingly, it is also favoured by the Association of Residential Letting Agents, the body representing landlords, because good landlords have an interest in the proper policing of bad landlords.

We made a number of points relating to housing providers. We believe that regulation in the social rented sector should minimise administrative burdens and free up resources for the vital task of maximising supply. In the private sector, we want the Government to consider reforms to the regulatory and taxation systems to incentivise the supply of new rented housing and better management of existing housing. We also stress that the Government need to reform the housing revenue account system as soon as possible to remove perverse incentives and enable councils to use the system to fund the construction and acquisition of more social housing.

We want housing associations to be able to use their surpluses to increase the supply of social housing. They should also be enabled and encouraged to diversify into other private and social enterprises, backed up by Government support where appropriate. We commend the efforts that a number of social housing providers are already making to avoid the negative consequences of polarising worklessness, and also the work that they are doing with their own tenants to encourage and support those tenants who are not in work to get into work. We highlighted the need for allocation schemes, whether they are run by housing associations or by councils, to be designed to enable the movement of tenants who are genuinely making an attempt to become more engaged in employment, thereby allowing them to move nearer to their work and minimise transport costs.

Regarding housing benefit, we highlighted a number of reforms to the system that we thought were essential. However, we also cautioned the Government in making those reforms to ensure the continued viability of the "temporary to settled" schemes that a number of councils are using, whereby housing benefit money is effectively used to enable the properties that are being used in the private sector to finish up in the social housing stock.

I have obviously skated over a huge amount of work that our report covers. Rented housing is a huge and complex issue, and the report made more than 60 recommendations or conclusions. The Government response to our report has been broadly positive, but there is a certain lack of detail in many areas. Perhaps perfectly reasonably, the Government have referred us to documents or reports that are not yet published, including the housing reform Green Paper, which is due at the end of the year, and the review of housing finance, which is due in spring 2009. The Committee will look at such documents as they appear, and will check whether or not they respond to the recommendations in the report that have not yet been responded to.

In conclusion, I believe that this report has come at a crucial time for housing policy. The creation of the new regulator of social housing, the Tenant Services Authority, is very welcome and the Committee hopes that it will eventually become responsible for tenants in all social housing. In addition, the Homes and Communities Agency, which was formed by the amalgamation of the Housing Corporation and English Partnerships, is particularly necessary, given the extra strain that the credit crunch is placing on the public sector in its attempts to take forward regeneration and create new housing. We believe that all those developments are significant milestones in the progress of the Government's housing policy and many of our recommendations will fall to the HCA or the TSA to implement. I therefore commend the report to the House. I am interested to hear the points that other Members wish to make, and I hope that we all agree that there is a need to increase the quantity, and improve the quality, of the supply of both social rented and private rented housing.

3.3 pm

Paul Holmes (Chesterfield) (LD): I offer heartfelt congratulations to the members of the Select Committee on producing this absolutely outstanding report. One

reason that I welcome it so much is that it says exactly what I have said for the last seven years, since I entered Parliament. However, the members of the Select Committee are not the usual suspects. Normally in the last few years, when hon. Members such as myself, the hon. Member for Great Grimsby (Mr. Mitchell) and a number of other people have stood up in Parliament to say these things, we were all too often dismissed by the Government and Conservative Front-Bench spokesmen as the same old suspects saying the same old things, locked in the same old memory of the past and not living in the real world.

However, this report says with great independence and in great detail, which is based on great research and great evidence, exactly those things that I have been banging the drum about for the last seven years, although so far it has been to absolutely no avail because the Government have not listened or given an inch of ground. So I really welcome what the Select Committee has produced, after taking a great deal of evidence from a great number of expert witnesses and others who are involved in the field. I know the process that is involved from being a member of the former Education and Skills Committee and a current member of the Children, Schools and Families Committee.

We have just heard an exposition of what the report says and I would just like to highlight some of the points that were made in summary. First, the report says that people in rented housing are 30 per cent. of the people in the UK. Seventy per cent. of people in the UK are owner-occupiers, which is the highest rate in nearly all of Europe, although I believe that figure has fallen slightly in the last year or two, to about 69 per cent., and, given the current economic conditions, it will probably fall some more. Nevertheless, the figure for owner-occupiers is among the highest in Europe.

As the report says and as we have just heard, there really has been an emphasis from the Government that only owner-occupation matters, and that people who rent are somehow inferior and they should all rush out to buy their houses. Owner-occupation is certainly a worthwhile aspiration. Obviously, most Members of Parliament are owner-occupiers. The aspiration is to own property, invest in property and in the long run to make money out of property, although, of course, as we are seeing at the moment and as we saw in the period between 1990 and 1992, it does not always work that way.

For people to be part of a property-owning democracy is a great aspiration and one that should be encouraged. In recent years, however, a number of people have asked repeatedly, "Have we gone too far? Are we pushing too many people into owner-occupation, including people who cannot actually afford it?" As we are seeing, we have hit the buffers on housing this year, with negative equity and people who took 125 per cent. and self-certified loans from Northern Rock that they just cannot afford to repay. As soon as problems arise, we get massive, soaring repossession rates and people then come in to councils asking to be rehoused, but the councils have to say, because of Government policies over the last 11 years, "Sorry, we don't have the houses for you." I will also return to that subject later.

As an aspiration, therefore, owner-occupation is certainly a good thing, but have we gone too far and have we created a lot of problems that we are now reaping the whirlwind of in the current economic crisis and the recession that we are just entering?

So I have highlighted those figures on owner-occupation and renting. As the report goes on to point out, the Government have a responsibility to ensure that tenants, as well as owner-occupiers, have the opportunity of a decent home at a price—a rental price, obviously, in the case of the rented sector—that they can afford, and within a sustainable community.

We must say that a lot of the remaining social housing in this country has tended to have a ghettoisation effect. It has become housing of last resort—housing for very poor people, and therefore there is a concentration of social problems with social housing. That is because people can only get housing through councils now if they are at the very bottom of the ladder, in absolute desperation and have myriad problems. If those problems are concentrated into limited areas, of course they will multiply and create further problems.

Mr. Drew: The hon. Gentleman will not be surprised to hear me say that there is a marked disparity between the urban and rural parts of our society now, quite simply because we have driven people out of rural areas. As we have sold the council houses, we have not replaced them with social houses through housing associations. It is a great tragedy: those rural areas are so much the worse because of the lack of variety of housing there.

Paul Holmes: The hon. Gentleman is absolutely correct. This is an issue that is a bit like the post office debate, where people say that if post offices are lost it is a disaster for rural communities. Well, I keep saying that it is a disaster for suburban communities too. With housing, it is undoubtedly a disaster for some of the communities in my constituency, which is an urban area; it is doubly disastrous in rural areas, where social housing is the only alternative housing but that alternative has gone completely. That is a point that I will return to later.

As we have heard from the hon. Member for Milton Keynes, South-West (Dr. Starkey), who is the Chair of the Committee, and in the report itself, we have now reached a point where renting is seen as second best in many cases. That perception is very unhelpful to the people who are in the rented sector, especially the social rented sector. Those people's needs and aspirations are surely just as important as those of home owners and people who can afford to be home owners, especially to a Labour Government. Clearly, however, in the last 11 years those people who are renting have not been as important; they have been at the bottom of the pile and treated as rejects.

In the private rented sector, there is a particular problem in that some landlords—the report says that it is a minority of landlords—are not fulfilling the obligations that they have to tenants to provide, in return for the rent that they receive, a decent home. The Government need to take stronger action in providing guidance, regulation, monitoring and inspection to improve the lot of private rented tenants. Again, that is a point that I will return to later.

During the debate in November 2007 on Second Reading of the Housing and Regulation Bill, I and others pointed out that that Bill was looking very much at the social rented sector and was not particularly covering the private rented sector, so there was a need

[Paul Holmes]

for the Government to take action on that sector. During that debate the point was made that in previous years—in the 1980s—the private rented market almost collapsed because of various Government policies, so Governments have since then been very cautious about regulating the private rented market, in case they drove private landlords out of the market altogether, as happened some 20 or 30 years ago. However, given the state of the housing market today, and the way things have moved, that is the least of our worries, and we need to consider regulating the private rented sector more. Shelter has produced lots of research material on that, and we discussed some of that in November on Second Reading as well.

Andrew George: I entirely agree with my hon. Friend. He introduced his comments by saying that renting, especially private renting, was perhaps perceived to be second best. I agree with him about regulation, but does he agree that one reason for that perception is the introduction of shorthold tenancies and the consequent lack of security, within the private rented sector especially?

Paul Holmes: Absolutely; that is a point I wanted to make later, so I may as well cover it now. It is an issue raised by people who come to my constituency surgeries, and I know it arises elsewhere, because other hon. Members have mentioned it in parliamentary debates. Shelter and other bodies working in the sector have a lot of documentation about it. Private rented accommodation is often inferior and substandard anyway, but even when it is good it is often offered on very short-term tenancies. With the present incidence of repossessions and negative equity more and more families will become homeless. For families, especially those with school age children, the impact on family life, education and social stability is appalling when they move into short-term private rented accommodation and must move on three or four times within a year, 18 months or two years, so that the children suffer disruption and may have to change schools, depending on where the family ends up after each move. The Government need to return to that issue, which they did not do at the time of the Housing and Regeneration Bill.

The summary of the report comments:

"More family homes are needed in the social rented sector to address overcrowding."

It could have gone a bit further, because the issue is not just overcrowding but the non-existence in many areas of family houses for social rent. To take the example of Chesterfield again, last year—I keep saying things happened last year, but now I probably mean the year before—in a period of 12 months in the whole of Chesterfield, where there are roughly 50,000 houses, 100,000 people and 10,000 council properties, exactly 49 three-bedroomed family homes became available from the council to let to social tenants. However, the number of families who applied from the waiting list, who were in flats, sofa-surfing at their in-laws and so on, and needed that family accommodation, massively outstripped the 49 houses that became available. It is not just a matter of making more family homes available in the rented sector to ease overcrowding; it is a matter of making more available to get people out of one-bedroomed flats, or situations in which they are sofa-surfing at relatives' and friends' homes. Those situations have led to marital breakdown in some cases that I have heard about at my constituency surgery, because of the tensions affecting young couples with children, who sleep one week at the home of one set of in-laws, and the next week with the others, or who move into the houses of their brothers and sisters. That creates immense pressures. Massive neglect of the situation is creating huge social problems, with all the knock-on effects on children's education, including failure in schools. Again, I speak as someone who was a teacher for 22 years who as a head of year with pastoral care responsibilities often had to deal with some of the results.

The summary goes on—and this is one of the few parts that I disagree with:

"An increase in the supply of social rented homes of some 50,000 a year will be necessary to reduce significantly the backlog in demand."

I am not quite sure what figures that statement is based on, because the Barker report, for the Government, said that an absolute minimum of 46,000 new socially rented homes a year was necessary simply to stand still—not to reduce the backlog. According to those figures 50,000 homes a year would not significantly reduce the backlog. It would make a small inroad into it. However, perhaps we may make a comparison with what has been achieved in the past 11 years: councils have stopped building entirely; they built 4,000 houses in the past 11 years and 300 last year, which is the lowest number since before world war one. The Government say, "It is okay, the registered social landlords—the housing associations and so on—will fill the gap from the private sector or semi-private sector." They have not, of course. They have built an average of 22,000 a year in the past 11 years. That is nowhere near the 46,000 minimum that the Barker report says is needed, the 50,000 that the Select Committee report says is needed, or the average of 100,000 to 120,000 that councils built in the first 50 years after the second world war.

The housing associations have failed, and they are the flagship of the Government's policy in the past 11 years. They failed to replace the houses that have been lost, let alone to get waiting lists at a steady level or start cutting them. Those waiting lists have nearly doubled from 1 million in 1997; they will approach 2 million in the next year or two—very rapidly with the negative equity and repossessions that we are now experiencing.

Jeremy Corbyn: The hon. Gentleman must be aware of the problems of housing association finances: increasingly the associations are under pressure either to borrow in the private sector and build, or build for sale or sell off existing properties or land. That means in effect that they become socially owned property companies, rather than organisations with the aim—which was their original aim and should continue to be their aim—of providing housing for people in desperate housing need.

Paul Holmes: Indeed, the hon. Gentleman is quite correct. There are some terrific housing associations. There are some that have kept fairly true to their purpose, even as they have grown massively, as a result of recent Government policy. However, some have become, effectively,

property management companies, whose particular interest, and only way of keeping afloat financially, is, as the hon. Gentleman says, to build houses and sell them on. We must in all seriousness ask, about many of the housing associations now operating in the environment created in the past 11 years, what their financial books look like. If much of their financial planning was based on building sets of houses of which at least half would be sold, a quarter would be rented at perhaps a little above market prices, and a quarter socially rented—that financial model is falling apart at the moment.

I know that some housing associations are worried about their viability and whether they will survive in the next year. How can they continue to build new houses even at the pathetically low average level of 22,000 a year that they have managed for the past 11 years if their funding is partly predicated on being able to sell at least half what they build to generate more money to build the next lot? The Government's policy of putting all their eggs in that basket has failed over the past 11 years. Waiting lists have nearly doubled; only 22,000 homes a year have been built, which is way below what is needed. Now the approach has hit a brick wall, given what is happening economically.

The report says:

"The Government must be prepared, if necessary, to raise investment in new supply still further."

If that was true in April, before the extent of the crisis that we are approaching became publicly acknowledged—that we are entering a recession with the housing market collapsing and repossessions soaring as the figures every fortnight show worse levels—it is certainly true now. It will be even more true in the next six months to two years.

The report states:

"The right to buy has enabled many families to get on the housing ladder who would not otherwise have been able to do so."

I agree with that, which might surprise those who accuse me of being an old-fashioned socialist dinosaur. The right to buy had potential to be a great ladder to enable people to enter a property-owning democracy. When I was elected as a councillor in Chesterfield in 1987, the Labour councillors who ran the town then—no longer—were all in high dudgeon about Mrs. Thatcher's right-to-buy policies. I used to say to them in discussion, "I cannot understand why you as a socialist party did not introduce this when you were in government. Surely, you use taxpayers' money to build socially rented houses; people who have lived in those houses for a good length of time buy them at a discount and get on to a housing property ladder that they would never have been able to afford in normal circumstances—or even dreamed of or aspired to." I thought that it had a lot to offer. I have discovered since I entered Parliament—or I am told, and hon. Members may be able to tell me whether it is true—that the Labour Government of 1974-79 considered such a policy for the 1979 manifesto, but that Tony Benn, the Member of Parliament who preceded me in Chesterfield, who was at the time rather powerful in the Labour party, stopped it because it smacked too much of capitalism. I think that it would have been a sensible socialist or social democratic policy to adopt.

The huge caveat of course is what has happened with the right to buy, both in the 1980s and in recent years. One problem is that the money has not gone back into building new social housing, to replace what has been taken. It has not been recycled into providing more for people who need it.

Secondly, although the discounts are lower now, they were ridiculously high when they were introduced. They were massive, and from a purely selfish, personal point of view people would have been foolish not to take up the opportunity to buy their properties. I noted at the time that all the Labour councillors who used to object so bitterly in 1987 bought their council houses over the next few years. The discounts were so big that it was not economic reality. A Conservative Government were giving away taxpayers' money and public investment and property on a massive scale—a scale that we did not see again until the banks were bailed out recently. The discounts were too large and the money was not recycled into building new properties. Local authorities were given no say and no flexibility, and the situation is still the same.

A local authority in one part of the country, even today in our current state, might say, "Yes, we have a place for the right to buy in certain areas of the town and certain types of property. We have more than we need, and we would like to get some properties sold and recycle the money into building new social housing in another part of town." Another local authority might not, because as the hon. Member for Stroud (Mr. Drew) said in an intervention, the scheme has been a disaster in rural areas.

Surely very few local authorities representing rural areas such Cornwall, Devon, the Lake district or the glorious Peak district in Derbyshire, on Chesterfield's doorstop, are happy with the fact that they have virtually no social housing. The council houses that used to exist in the Peak national park and other highly desirable rural areas have all been bought, then sold on at a massive profit and are now second homes and holiday homes. Local people such as farm labourers, low-paid workers and the children of people who settled in those areas cannot get into the property market. I am sure that my hon. Friend the Member for St. Ives (Andrew George) will talk about that in more detail if he makes a speech later.

Andrew George: It is certainly true in my area that a lot of former council properties are now second homes. My hon. Friend has said that he agrees with the right to buy, but does he agree that rented housing in the intermediate market is also important? We cannot consider one in isolation from the other. It is important that the Government help by enabling shared equity, mutual housing and other means of constructing a new rung on the housing ladder. That will enable them to get into the market without having to make the stratospheric leap that is currently required in many parts of the country.

Paul Holmes: Absolutely, and before people misquote me and say that I support the right to buy, I did give three massive caveats. I certainly do not support it as it was introduced in the 1980s and as it has operated so far, because the discounts were too great—that has been tackled—because the money is not recycled and because local authorities have no freedom to express an opinion on local decisions and on what is right for their area.

As my hon. Friend points out, we must consider the whole package of what is happening in the housing market. One success of the housing associations in

[Paul Holmes]

recent years has been some flexibility in the offer of shared purchase, with houses being partly rented and partly bought. However, there tends to be a brick wall for people in such schemes. A young couple in my constituency were hit by last summer's floods in Chesterfield. They had just started a family and had gone up to the limit in buying part of their house from a housing association. They could not afford contents insurance and when the floods happened, hitting about 500 houses in Chesterfield badly, all their contents were wiped out. They could not replace them, and they could no longer afford to pay their part of the mortgages. They came up against a cliff face, and it was all or nothing, as my hon. Friend points out.

We must consider the whole package of housing measures, not just certain things in isolation. There must be a lot more flexibility for people to step up and down in the percentage of their house that they own and the percentage that they rent. They must not be allowed to fall off a cliff because they cannot maintain their mortgage payments on the 25 per cent. or 55 per cent. that they own.

Extending such a scaled system to the right to buy would be fantastic if a local authority thought that the scheme was sensible in its area, if the discounts were of a sensible level and if the money all went back into building social housing. So far, none of that has happened. I am therefore utterly against the right to buy as it has been practised, but not as a principle if it were done in the right way. The Select Committee report states that the Government should revisit that matter, perhaps examining examples such as those in the Netherlands, from which we could learn something. Let us examine the matter seriously, not just cherry-pick the bits that particular parties want at particular times.

The report mentions allowing more flexibility for tenants to downsize, and we have heard the example of pensioners living in family houses. They may have brought up a family, but their children have left home. Perhaps it is a single pensioner whose partner has died. Plenty of people in those circumstances have come to me over the years. They want to downsize, and by and large they want to move to an old folks' bungalow. Occasionally they want to move to a flat, but most are not keen on flats because there tend to be noisy youngsters living upstairs, who have a different lifestyle and come in at 1 o'clock in the morning.

If Chesterfield borough council were able to build old folks' bungalows and decamp pensioners who are rattling around in family houses with gardens that they cannot maintain and stairs that they cannot climb, we would get two houses for the price of one. However, it is one of the evil councils that followed their tenants' wishes when they voted against privatisation, so it still manages the housing stock directly. It is not allowed to borrow money to build, or to get new social housing—it is not allowed to do anything, basically. We therefore cannot offer such downsizing.

A matter that is not covered in the report is one about which various Ministers have speculated in the past couple of years. They have leaked to the press suggestions that we ought to force on some council tenants the reverse of that downsizing. They suggest that we ought to force tenants out of their council houses when they start to earn a bit more money, because they can afford to buy or rent privately and social housing should really be only a last resort. That is addressed in one of the report's first points, as I mentioned earlier.

Ministers have floated that idea as a stalking horse a number of times in the past couple of years. We thought that it had died, but we understand that it is perhaps being floated again at the moment. However, I have not come across that problem in Chesterfield, which is a fairly poor constituency with a large number of council houses. I cannot think of anybody in Chesterfield who earns large sums but chooses to stay in a council house on a council estate instead of buying a house somewhere else. They are not exactly bed blocking, as we would say about the NHS. People who could easily go and buy a nice, luxury house in the private sector are not blocking the valuable, limited, scarce resource of social housing for which another family is desperate. It is not really a big issue, as far as I am aware, yet the Government seem to have been rather hung up on it in the past two years. They seem to think that perhaps they ought to alter the letting system and tenure rules to force people out of council houses if they earn a little too much. How can the Government say on one hand that they want social housing estates to be mixed and pepper-potted, and to cover the whole range of society rather than be ghettoised areas, and on the other hand that as soon as people earn a bit more than average, they will be forced out to buy a house somewhere else?

The report discusses allowing councils to be more flexible in introducing choice-based letting schemes. Who can argue with that? Of course tenants should have choice in where they go to live, but in Chesterfield, as in every council area around the country, there is a very long waiting list, and only people who are desperate and in dire social need reach the top of it. Then their choice is pretty limited, because the council does not have much to offer them.

Different parts of the Government and various pieces of legislation are rightly telling councils to give priority to people who have been in the armed forces. People who went into the armed forces 10 years ago, for example, may have moved around the country or lived around the world. When they come out of the armed forces, they are not on the housing ladder because they have been in military establishments. They want to go back and live in their home area, but the council says, "You're not on our waiting list, which is already three times longer than the number of houses we have, and you have no recent link to this area, so you're not a priority." It is right that councils should give priority to such people, and I have signed up to that.

The Select Committee on Children, Schools and Families, on which I serve, is currently examining the subject of looked-after children. We are considering the situation for children leaving care—they used to be aged 16, but now it can be pushed on to 17, 18, 19 or even 20, which is good. All too often they used to end up in the worst council flat, because that was all that was available. A child who has been in care and gone through traumatic times and had a bad deal educationally because of their disturbed background should be given some priority in getting decent, supported housing. Who can argue with that? I am pushing for that in the Children, Schools and Families Committee.

There are all sorts of similar examples. Prisoners coming out of jail all too often end up in poor accommodation and go straight back into crime because

of their circumstances. Councils ought to provide decent housing for released prisoners. Again, who can argue with that as a sensible policy to reduce offending?

I have given four reasons why councils should be doing more and more to give good housing to people in various categories. But what have the Government done for the past 11 years? They have halved the number of council houses and prevented councils from being able to do any of those things. Yet they keep on heaping on the requests, saying that councils should give priority to one group or another. The councils cannot do that if the Government cut the amount of social housing all the time. A huge social crisis is being created, and we are starting to reap a whirlwind.

The report goes on to deal with the private sector. It has already been discussed, so I will not make any comments on it apart from saying that, of course, as with council and housing association social housing, there will be more and more demand for private rented sector housing because of the massive, soaring repossessions that we now face.

The report states that the Government must remove impediments to local authorities exercising their place-shaping role to build on land that they own, and to provide the housing that is needed. That is a polite way of saying that the Government must reverse their entire policy of the past 11 years. As the hon. Member for Stroud said, if tenants vote against privatisation—if they say that they want to stay with the council—as they have done in more than 100 authorities in this country, they are penalised.

In Chesterfield, as in the example that the hon. Gentleman gave, a percentage of the rents—it was 14 per cent. but is climbing year by year—is taken away by the Government to spend somewhere else in the country. When tenants come to me and ask why they cannot have something done to their house, why they cannot have fencing to stop criminals nicking and selling all the garden ornaments and so on, the answer is because 14 per cent. and rising—I know of another council where it is 48 per cent.—of the rents in Chesterfield is taken away to be spent in another part of the country. The money is not spent on the council housing of the people who are paying the rent—it is stolen and spent elsewhere.

On right-to-buy, 25 per cent. is kept by the council, and 75 per cent. goes to the Government. Because the council manages its own properties, it cannot get access to Government money through what was the Housing Corporation—it is now changing—because it is for arm's length management organisations and housing associations.

The hon. Member for Sheffield, Attercliffe (Mr. Betts), who is planning to speak later, made the point when we were debating this matter on the BBC in Yorkshire that the disgraceful division between housing associations and ALMOs, and council housing should be ended. That was in response to something that I said. I absolutely agree: we should end it, because, at present, people in council-run council houses in Chesterfield are utterly and disgracefully discriminated against by this Government. They cannot get access to money for modernisation, repairs or building new houses that ALMOs in Sheffield have had access to in the past and that housing associations get.

On a level playing field, taxpayers' money should go to the people who need it rather than to the ones who signed up to the Government's agenda. If people say through the ballot box that they do not want to go down that road, they should not be penalised.

If a housing association took over Chesterfield's 10,000 houses tomorrow, it would not have any of its rent taken away. It would keep it all. It would get 75 per cent. of right-to-buy money, not 25 per cent. It would be able to borrow money for more building and investment, and it would have access to Government money—taxpayers' money—for more building and modernisation. All of that is denied to tenants in Chesterfield and more than 100 other authorities where tenants have said that they do not want to privatise. The report uses polite language to say that the Government must reverse the discriminatory and punishing regime that attacks tenants who have the cheek to vote against what the Government want.

I could say much more about the report, but other Members may make many of the points. The report states that it

"comes at a crucial time."

As I said, it was a crucial time in April. As the report points out, Oftenant and the Homes and Communities Agency had just been set up under the Housing and Regeneration Act 2008. That was a crucial time, but, since then, the economy has entered recession. Since then, the warnings that some of us were giving last year about the early signs of negative equity and repossession have been hitting newspaper headlines every couple of weeks as the figures get worse and worse.

Where will people go when they are repossessed and homeless? They will go to the council and say that they desperately need rehousing, but, in Chesterfield, for example, the council will say, "Sorry, but our waiting list has trebled in the 11 years since the Labour Government came to power, and our social housing has halved over the past 20 years because of right to buy taking properties out of the system and not replacing them. Although we sympathise enormously, our hands are tied behind our back as far as helping you out."

If the report was superb and timely in April, it is now being debated at a time of utter crisis. The Government must read it and reverse their entire policy of the past 11 years.

3.34 pm

Emily Thornberry (Islington, South and Finsbury) (Lab): I represent a constituency in inner London where it is difficult to understand the claims that there is anything wrong with being in rented accommodation. One has to be very rich to live in Islington. Indeed, as house prices have gone up, people who move to Islington have to be increasingly rich, so the rich in Islington get richer. On the other hand, those in social rented accommodation—we have had very little private rented accommodation until recently—have to be poor and desperate, and, as the crisis deepens, they have to be increasingly poor and desperate. One has to be very rich, very poor or just lucky to live in Islington. I represent a constituency that is becoming increasingly divided—I see it happening before me.

Many of our problems begin and end with housing. My hon. Friend the Member for Islington, North (Jeremy Corbyn) and I, along with many other inner-London

[Emily Thornberry]

MPs, speak with huge passion because every week and every day people come to us with housing problems. If they come with other problems, we can help, but if they come with housing problems, often all we can offer them is tissues. They sit and weep, and we feel as though nothing can be done.

Over the past 10 years, social housing in Islington, which represents about one half of the housing in my constituency, has been done up, and that has been fantastic. We should be extremely proud of the decent homes programme. When I first went around estates in Islington some 10 years ago, they were disgusting. The public spaces were appalling and the roofs leaked—they were dreadful. Now, the estates are something to be proud of.

The difficulty is inside the flats, where people are desperately overcrowded. The problem is that it is not possible for people in social housing in Islington to move out of Islington into other social housing, because the transfer systems that were supposed to be available do not really work. That means that once someone is in social housing in Islington, they are stuck, and always will be stuck.

Whenever I speak about housing in Islington, I talk about the last housing case. I do not want to be guilty of exaggeration, or use a case that is not representative. Sitting on my desk at the moment are two cases involving young women with similar problems. Both are teenage daughters who live in housing association accommodation in my constituency. Both girls have babies and share bedrooms with younger sisters. They cannot get rehoused because the housing associations of which their parents are tenants have sons-and-daughters systems, but they will not allow those girls to move into one-bedroom flats, because, if they did, they would automatically be overcrowded.

We have choice-based lettings in Islington, but there is no choice, and there are no lettings. The girls do not have sufficient points to get a two-bedroom council flat. They are not able to move into a one-bedroom flat because they have a baby and ought to have a two-bedroom flat, but there are no two-bedroom flats available, so they live with younger sisters—one sister is 10 years old and the other is 12 years old—who are fed up with having to share with their older sister. They are even more fed up now that there is a baby in the bedroom as well.

That is the reality. Those are the two cases sitting on my desk now. I do not ever want to exaggerate how bad the housing crisis is in Islington, but I do not need to. I just need to talk about present circumstances. Therefore, it is of great importance to me that I have the opportunity to serve on the Select Committee that has produced this report. For the majority of my constituents, the increase in the supply of rented housing is of vital importance.

I have not yet bent the ear of my right hon. Friend the Minister about affordable housing in the Islington context, but I warn her that I will. In Islington, it is simply not affordable to buy, nor is it affordable to part-buy. Hybrid forms of key worker housing may work in Darlington and in other parts of Britain, but in the Islington context, house prices are so high that buying part of a flat and renting the rest is unaffordable, particularly for a family that needs three bedrooms. The price is simply too high.

I had one case of a firefighter and his wife, a nurse, who was training to be a midwife, with had three children. They lived on the Finsbury estate in a two-bedroomed flat and were overcrowded, so they wanted to go for key worker housing or part-ownership. My senior caseworker and I spent a great deal of time trying to find some alternative means for them to stay in Islington, whether through part-ownership, key worker housing or anything else. We spent many months doing that and we looked at all the different solutions, but nothing was affordable within their pay range. The only thing for them to do, as we were advised, was to apply for part-ownership out east, which they would be able to do when the woman finally qualified as a midwife. I cannot even remember where the place was, but it was somewhere east of Tower Hamlets; I am afraid I get a little foggy once we get to the other side of town. That was the only accommodation that would be affordable for them as a family.

The point is that key worker accommodation may be affordable if people only want a one-bedroomed flat. A new teacher trying to get key worker accommodation in Islington may be able to buy part of a one-bedroomed flat, but that is not possible for a key worker with a family. That is our problem. That is why inner London is lobbying for social rented housing; nothing else works for us.

The difficulty is that, within the Islington context, a two-bedroomed flat in social rented housing might cost some £75 a week. So of course some of my constituents can move into private rented accommodation—indeed, such private accommodation has become increasingly available, not least because housing benefit will pay up to £300 a week. However, the private sector is charging £300 a week for rented accommodation and the rent in the social rented sector costs £75 a week and the Government are paying for them both. This is wrong and we have to find a solution to it.

One would hope that, with the credit crunch, perhaps the poorer half of Islington might benefit at last, in that land prices will go down and many builders will be out of work and, when all else fails—when the markets fail and businesses fail—in the end, all that we have is government. In those circumstances, perhaps the Government will be able to step in and, perhaps, having had 10 years of boom in the private sector and with a downturn in the market, now might be the public sector's chance, and the chance for the poorer half of my constituency to get some new accommodation. If that is so, those girls who are stuck with their little sisters might, at some time, get a chance to move somewhere else.

Unfortunately, it is never as simple as it looks. The more I look, the more I realise that this difficulty has to be managed carefully. One of the most important sources of new build is housing associations. I understand that, in the early 1990s, grant rates for housing associations to build were at 70 per cent. That grant rate has now gone down to about 40 per cent. The difficulty is that, in those circumstances, that is not now a viable business proposition for housing associations, without cross-subsidies from other sources, including, as I understand it, building other flats and selling off parts of a development or

selling off part-ownership and, therefore, being able to subsidise developments. Every new home being built by housing associations is subsidised, I am told, to the tune of £25,000 a flat.

When it comes to the larger homes that my constituents so desperately need—the three-bedroomed plus homes—the price is even greater and the problem then is that, if housing associations are asked to deliver a certain number of units, it is often far too easy for the larger units to be overlooked. If one four-bedroomed flat is provided, it provides accommodation not just for one family, but for the family below in the chain: so a family may move out of a two-bedroomed flat into a four-bedroomed flat, freeing up the two-bed one; then the two-bed is freed up, so the family from the one-bed can move into the two-bed; then the girl with her baby in a bedsit can move into the one-bed; and so it goes on. Building larger accommodation means providing accommodation all the way down the chain. That is why it is so important that, in terms of policy, we emphasise and prioritise the building of larger flats to give families a chance.

The difficulty is that the cross-subsidisation that the housing associations have been getting from selling off other properties is now drying up because of the credit crunch. I am informed that at the moment the housing associations have a debt of some £51 billion and it is anticipated that they will increase that borrowing by another £12 billion to deliver the Government's affordable housing targets. Unless this is managed carefully, the sector's financial health could be a cause of great concern.

Many things can be done to assist housing associations. We have to use more public land and we have to stop the selling off of public land to the highest bidder. We have to begin with a policy whereby if public land has to be sold, it should not be sold to the highest bidder but should be sold for the greatest public good. That principle could be established.

Moorfields school in my constituency is a large plot of land that stands next to Braithewaite house, a successful block of flats used by families, on one side of the road, while round the back a new development at Old street is potentially coming. That development is to be a massive great tower block largely comprising luxury flats: the 50 per cent. rule does not seem to apply to Islington council. That large plot of land in between those sites could be used for social rented housing and for some of the 13,000 families desperately waiting for housing in Islington.

I have been mentioning 13,000 families since I was elected. I was surprised that so few families were being added to the list until families came to see me—and I know they go to see my hon. Friend the hon. Member for Islington, North—and complained that it is almost impossible to get on to Islington's waiting list these days. That is becoming such an increasing embarrassment, because my hon. Friend and I, and many other colleagues, are making a huge fuss about this large number of families on the waiting list for housing within Islington, with nothing being done about it, while the local authority is selling off Moorfields school, for example.

The local authority is also selling off a site in Elthorne street that was owned by the council; it was a factory and then became a site for many little businesses and local employers. The council sold it off for £1 million and it has recently given planning permission for that property to be made into 17 luxury flats. That publicly owned building will now never provide any housing for those two girls and their daughters living with their little sisters. Now that public land has gone we will never get it back; we will never have the opportunity to house families there. We must do something about this and we must stop the sell-off of public land simply for the sake of keeping the council tax down. We must prioritise. We cannot just wring our hands and say, "Oh, it's such a terrible problem; it's such an enormous problem. There's nothing we can do." We have to do something about this and we must ensure that there is somewhere for these 13,000 families to go.

The first issue to consider is the sell-off of land. Public land should be prioritised and used. There may be opportunities available for us to work in partnership with housing associations to build more social rented housing, particularly given that the subsidy that the housing associations have been able to provide so far may be weakening with the increasing credit crunch.

On other sources, housing associations could be allowed to buy land that may be owned privately but is not being built on, whether due to developers not having the wherewithal, means or imagination to build on such sites. The Government might be able imaginatively to change the rules so that, in such circumstances, housing associations could step in. Or they could step in where planning permission has been given but little progress has made on a site and, rather than wasting that land—given how many people are in desperate need of rented accommodation—allow housing associations to step in at that early stage.

There are other opportunities available, when developments have begun and have gone a long way down the line. Again, it may be possible for housing associations to step in at that point, but there are two difficulties in relation to that. First, I am glad to learn that the environmental standards we expect for social rented housing are higher than for private rented housing.

A housing association cannot simply buy flats that have been built for the private sector, because they may not be good enough—the environmental standards may not be good enough, and the rooms are often too small. We manage the size of social rented flats, but we do not manage the size of private rented flats. Those are complications, but with careful management, it should be possible to fix part of the problem, and ensure that the downturn in the market does not mean ever-increasing numbers of people in desperate need of social rented housing.

It has been suggested that housing associations may be able to step into the gap that will be created by the credit crunch, but that alone would not be sufficient, even with the whole £20 billion that has been earmarked for the building of affordable housing in the next three years. It would only shore up one in 10 of new buys yearly. That is not enough on its own, but if we had a goal of ensuring that we relieve some of the pressure in the social rented sector by being imaginative and giving housing associations a greater lease, allowing them to do more than they can at the moment, and by taking a realistic look at the effect of the credit crunch, and accepting that they will not be able to subsidise things in the same way as they have in the past, we may be able to go some way towards assisting some of my more desperate constituents.

In the past 10 years, only one in seven new developments in Islington has been social rented housing. That is not fair, and I hope that in the next 10 years we will be able

[Emily Thornberry]

to increase the amount of social rented housing in my constituency. Half of my constituents are largely my people, and when I go round social housing and talk to them, they look to me and Labour MPs such as me to provide a solution. I hope that with the downturn in the market we may be able to think laterally, and give them some help.

3.52 pm

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): As a member of the Select Committee, I welcome the report, and agree with it. As has been said, we took an awful lot of evidence and made many visits throughout the country to ensure that the report was factually based on people's experience in their daily lives and the struggle that many of them have in achieving their goal of becoming a tenant with affordable, social housing. As my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry) said, the problem is more acute in London than elsewhere, but that does not mean that it is not acute elsewhere. Certainly, in Sheffield, the change over the years in the shortage of available rented housing is only too obvious for anyone to see, particularly Members of Parliament at their surgeries. I agree with my hon. Friend that one's heart almost sinks when someone comes in with a housing problem, because one simply does not know where to begin to help them, and often cannot do so because they are one of a number of people in real need trying to access an increasingly short supply of rented housing.

The Committee rightly agreed with the overall target of building 3 million new homes by 2020, and increasing the number of social rented homes that are built each year to 50,000. Eventually, we may have to increase those figures further, but they seem to be a good starting point in support of the Government's targets. The hon. Member for Chesterfield (Paul Holmes) commented on the shortage of available property in his constituency. I asked Sheffield Homes, the ALMO that covers most of the rented stock in my constituency, to provide some figures for last year. I asked for the figures for three-bedroomed family houses because, as a result of the right to buy, there is a disproportionate number of flats compared with houses in the housing stock, because, by and large, the houses have been sold. The figures, which excluded allocations to homeless families and people whose homes had been demolished—there is a demolition programme in south Sheffield for system-built properties from the 1970s which are no longer fit for purpose—showed that there were only three allocations from the waiting list to people wanting three-bedroomed family homes in the whole of my constituency last year. I receive more requests for help from people wanting such accommodation in a month than is available in a year, and I accept that I see only the tip of the iceberg.

It is right for the Government to respond to the current housing pressures, which came after the report was produced. Part of the £2 billion package of help for the housing market may be used by councils to buy vacant property in the private sector for social letting, or to start building new homes. The Government must quickly rethink that package, welcome as it was, because, as we have heard, there is evidence that some housing associations are having problems in getting their schemes under way for the simple reason that they rely on packages of funding, some of which are used to build houses for sale. That helps to cross-subsidise rented properties. As the value of houses for sale has fallen—and selling them may be a problem—they will find it difficult to raise funding to get those packages away. Some of them are having problems because of the lack of funds in the wholesale market anyway. At the same time, private sector schemes throughout the country are not starting—work has stopped on schemes in the Darnall area of my constituency—and if they have section 106 agreements, the houses covered by those agreements will not be built either. It is likely that there will be a fall in the number of housing association properties being built, and the Government must address the issue urgently.

It is right that housing associations and local authorities should be able to access money through the package to build more homes, but if fewer homes are being built under other financial arrangements, the Government may have to step in quickly and increase the available funding. The enormous pressures on social housing that we are already experiencing, and the fact that many people who wanted to buy in the private sector as first-time buyers cannot now access mortgages because of the requirement for larger deposits, produce additional pressure, because tenants cannot move out of social housing and owner-occupiers who want to move into social housing cannot do so because the option of owner-occupation has been postponed, at least for the time being.

The Government must ask local authorities what they are doing to access funds that have been made available. Many local authorities do not recognise the need, or they lack the systems, to buy up empty properties, which is a fairly quick way of providing extra social housing. I do not see much evidence of local authorities getting their act into gear to access funding for that purpose, or stimulating their ALMOs or housing associations to do so. It will be interesting to hear whether my right hon. Friend the Minister has any figures to show how much of that money has been spent on the purchase of vacant properties.

Grant Shapps (Welwyn Hatfield) (Con): Has the hon. Gentleman heard, as I have, discussions among registered social landlords about the fact that it is almost impossible for anyone to get their hands on the money to make those purchases?

Mr. Betts: I have not been told that by an RSL, but it would be interesting to know how much money has been allocated and whether the Minister is aware of any problems in accessing it. I am sure that it is not the Government's intention that it should sit in the Treasury's coffers, but if there are obstacles, they should be dealt with quickly. It would be a disaster if properties were empty and families were without adequate housing, and we could not put the two together when the money was available.

Section 106 funding will continue to provide a lot of social rented housing. I have been critical of my council in Sheffield for being far too slow in changing its planning policies to reflect the need for section 106 agreements to provide social rented housing as part of new private sector housing developments. The horrible irony is that just as the council changed its policies to require a greater percentage of social housing on private developments, the credit crunch came along and builders stopped building new private houses. That is sad.

The Government should recognise that in the longer term, when the housing market is back in gear, section 106 agreements will provide quite a lot of social housing. They should say to local authorities, "Do you, as part of your planning policies, have section 106 agreements clearly labelled as something you intend to use when you give planning permission for private houses?" How can good practice be exchanged between one local authority and another? One thing about Section 106 agreements is absolutely obvious, and when we went around the country and collected evidence it was there for everyone to see. There is an enormous disparity in local authorities' achievements and policies on section106 agreements.

Emily Thornberry: Is it not also the case that, in London, if the 50 per cent. rule that was introduced under the previous Administration at City Hall is abandoned, one local authority will be played off against another? The only way to have the 50 per cent. rule across the whole of London is for all of London to agree to it. Ken Livingstone's target has been abandoned, which is a great shame.

Mr. Betts: I agree. Without knowing all the details of what has happened in London, I can see the obvious problems. If there are competing housing policies in different London boroughs, there will never be an overall strategy for London as a whole.

Jeremy Corbyn: On the point about section 106 money, in its investigations, did the Committee come across much evidence of unspent section 106 money that simply sits in local authority coffers for years doing nothing? Worse, did the Committee find instances in which developers sold on, and sold themselves out of, a section 106 requirement, thus preventing the public from benefiting from what should be a social benefit?

Mr. Betts: I have certainly seen figures from the Department in the past that show there is some disparity between the section 106 agreements that are reached and the number of houses that are eventually built. Again, that is something Ministers may wish to look at.

I shall make two other points about section 106. There is still nervousness about the effect of the community infrastructure levy on section 106 agreements for social housing. I support the community infrastructure levy, as it is right to have a policy that ensures that the public purse benefits from the private gain from planning permissions. We have received assurances from Ministers about the interaction between section 106 agreements for social housing and CIL, but we still seek reassurances that there will not be any adverse effects.

As I am sure my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey), the Chair of the Committee, will testify, when we travelled around the country, the Committee saw how section 106 agreements sometimes lead to the provision of nice-quality landscaped private-sector housing in a development, but that somewhere at the back of the site—almost as an embarrassment—a few social housing units are tucked away so that no one can see them. In some cases, a wall is built around such units to separate them from the private housing and prevent too much contamination between the two lots of residents. That must stop. Local authorities must be required to ensure that where provision for affordable social housing is made, it is done in a way that does not lead to an obvious "us and them" feeling about the scheme. At a recent public meeting about how to develop a new site in my constituency, such an attitude was shown by a constituent who said to me, "We aren't going to have any of those people living here, are we?" Unfortunately, those attitudes exist and local authorities have to stand up to them and ensure that we have mixed communities.

On mixed communities, I want to discuss the point that the Committee made about the right to buy. We could all rewrite history in relation to the right to buy. When I was a member of Sheffield council, I was chairman of housing at the time of right to buy and we resisted it. I accept that there is a place for the right to buy and I am close to agreeing with the hon. Member for Chesterfield on the matter, which worries me slightly. I can see that the right to buy has helped some people on to the housing ladder and that it has introduced a mixed tenure into some areas that were monolithic and contained only council housing—we had enormous estates in Sheffield. However, there is a disproportionate tendency for right to buy to prevail on smaller estates that are in the nicest areas. That has obviously happened because such areas are where people want to buy—they have nice properties that will increase in value after purchase.

Even in urban communities, we are in danger of creating areas in which, although there were relatively few council houses to begin with—probably only 20 per cent. of the stock—more than half of those houses are sold. In such areas, there is now only a residual number of council houses or, in some cases, where stock transfers have taken place, social rented houses are owned by a housing association. In those circumstances, if the right to buy is simply allowed to continue, regardless of the demand for rented properties and the limited supply, that will ultimately have an effect that is opposite to the creation of mixed communities. Monolithic communities of owner-occupiers will be created and there will not be any opportunity for people who cannot afford to buy to live in those areas.

That is a real worry in parts of my constituency—for example, in the old mining village of Mosborough. That village has a heart to it, and part of that heart is a small number of rented properties that are owned by Sheffield Homes, which is an ALMO. Enormous numbers of private homes have been built in the area and many people have said to me, "I'm now quite well off and have moved on and got my private home, but I come from a poor background. I'd like my mum and dad to come and live near us, but they are council tenants and there aren't any council properties in the area, so we can't live in the same area together." That is a real problem.

The Committee referred to the Netherlands solution: where there is a shortage of houses to rent in an area, a housing strategy ought to be developed with the local council and housing providers. That is particularly the case in relation to certain types of houses, as there might be plenty of flats but a shortage of family homes. The strategy should state that because of the enormous shortages, if we continue with the right to buy, no houses of a particular type will be left to rent. In those areas that are affected we should be able to suspend the

[Mr. Betts]

right to buy, at least for certain property types, to try to ensure that we allow people who cannot afford to buy to live in those areas and keep a mixed community. The Government have said they will consider that matter in their response, which I welcome. I hope that they will look at that issue and introduce policy changes.

I hope that we can return to a situation in which councils and ALMOs can start building houses. It is possible to access the funds that the Government have made available, and there are three pilot projects. Again, I would be grateful if my right hon. Friend the Minister explained where we have got to with the pilot projects that were established to try and let ALMOs build houses—if she is unable to do so today, would she do so in due course? I know that Sheffield Homes, together with Sheffield council, was awarded a social housing grant last autumn. I am not aware yet whether they have an agreed plan for what to do with the money, let alone whether they have started building any homes. After a year of a chronic housing shortage, I understand that that grant is still sitting somewhere in the treasury coffers in Sheffield and that it is not actually doing anything.

It is important to introduce pilot projects, and I welcome the fact that the Government have decided not to include them in the housing revenue account—that was an important step. However, while I am on that subject, the housing revenue account is the biggest obstacle to making any sense of housing finance in this country. A review is under way on and, the other day, my right hon. Friend the Minister told us, when giving evidence to the Committee, that it will be next year before we sort the matter out. However, I cannot stress too strongly—and everyone else who has spoken has mentioned this—that in terms of the rules, the housing revenue account is a disaster, as authorities have no idea where they will be in future years.

There is the possibility of redundancies at Sheffield Homes because its subsidy system has changed drastically over a three-year period. There is an inability to plan ahead and there is no relationship between the service its tenants receive and the rents they pay. Sheffield Homes cannot say to its tenants, "We'll improve the service if we can increase rents by £1 a week." Neither can it say to an individual tenant, "We'll put a central heating system in if we can increase your rent by £2 or £3 a week." There is no connection between the service provided and the rent charged.

It is a bureaucratic nightmare which, I accept, is difficult to resolve because there are losers and winners—unless the Treasury can be persuaded to put some funding in to unscramble the whole thing and get back to having a more direct relationship between what tenants pay and the service that they receive. No doubt my right hon. Friend has been brought up to speed on some of these things in the past few weeks, but I am sure it is one of the more complicated things she has had to consider so far. That issue is a nightmare and it needs to be addressed.

Paul Holmes: On that point, the review is under way, but it might take a year to complete and more time to implement—if it is possible to implement it. However, in the meantime, the Government have announced that for the next two years they want to carry on and make the situation worse by increasing rents by 6.2 per cent., which is well above inflation. In Chesterfield's case, increasing the clawback means that every penny will go to the Government rather than into tenants' houses. Does the hon. Gentleman agree that the Government should suspend that increase until the review has been completed, rather than digging a deeper and deeper hole?

Mr. Betts: The system is completely inadequate. Unfortunately, as long as the system exists, the Government will use it and there will continue to be perverse consequences. I do not think that the Government should set rents at a national level—that is the problem with the housing revenue account. I just hope that we can get out of it as quickly as possible, as it is a disaster. The previous two Housing Ministers recognised the principle that we need to do something about it; it is a question of finding the mechanism to achieve that.

With regard to other issues that needed to be addressed, we mentioned the Hills report, and we look forward to the Government's recommendations. In relation to allocation policies, it is important that we make best use of the housing stock. There is a problem with under-occupation. We need to make transfers easier for people who have outgrown their family houses because their children have moved on and there are now only one or two older people living in them. If we can make it easier for them to transfer to purpose-built elderly persons' accommodation by building more such accommodation, that would be useful. I very much welcome Hills's comments about getting more recognition of such matters in housing allocation systems. I understand that that is very difficult to do in London, because the crisis is even more severe there, but in places such as Sheffield we could give more priority to people who want to move for good reasons.

The classic case is the elderly couple who say, "We look after our grandkids when their parents go to work and it would be easier if they lived nearer to us. A house has become available down the road and they only live four miles away. Why can't they move?" Then suddenly they find that a homeless family who have been on the list for a few weeks turn up and occupy that house as the new tenants. Often, people just do not understand that. They say, "Well, why couldn't that homeless family, who have been on the list for only a few weeks, move to the house that my son and daughter-in-law were in, so that they could move nearer to us?"

There is a logic to that thinking. We need more flexible allocation policies, because transfers have almost dried up. People know that if they are allocated a house as an ALMO tenant in Sheffield, they are almost stuck there. The chances of being able to move or of having a choice to move anytime in the future have almost gone. There are issues to be addressed in that respect. As has been said, decent homes has been a wonderful policy. The other day, I was with an elderly couple whom I have known for years. They moved into their pensioners' flat and then had the kitchen and bathroom done up and new windows put in. They think that all their Christmases have come at once. They are absolutely delighted. I saw the smiles on their faces and their great pride in their home. Sheffield Homes has done an excellent job; the quality of the work is good.

We need to know where we are going from here, because ALMOs such as Sheffield Homes are thinking

about their work programme for the future, and are again looking at reducing staff. It is always a problem in the construction industry that there are peaks and troughs in the work load, which make it impossible to continue such programmes. I welcome the setting up of the Tenant Services Authority. We had a good Select Committee evidence session with the new chief executive and chair the other day. I hope that they will drive up the quality of management in many housing associations; the Housing Corporation has not been tough enough on those issues. I welcome the commitment that they have given, which we explored in our evidence session, to try to link the funding of the building of new houses by housing associations to those housing associations that have a good track record of management. In the past, there does not seem to have been a great link-up and associations with poor management records often received funding to build more houses.

I look forward to ALMOs coming under the TSA remit, to which I the Government are committed, perhaps in the next two years, so that we have a consistent regulatory approach. The TSA can do quite a lot to link housing associations and ALMOs together, so that there is greater co-ordination of management approaches, particularly on open space or in areas where housing associations have very few properties and do not have a local presence. In such circumstances, they can contract out their management to other associations or ALMOs. I hope that the TSA will encourage them to go about that process to improve management quality. We recommended that the housing ombudsman should cover all aspects of housing, including local authorities and ALMOs, so that there is a consistent approach in relation to the ombudsman service as well.

I shall make a few comments about the private sector. It is such a mixed bag of housing of differing quality, and a more consistent approach is needed. I am pleased that the Rugg recommendations largely go along with our recommendation of a light-touch licensing arrangement for all private sector housing, which would be a massive step forward. At the same time, the Government should consider improving the licensing arrangements for houses in multiple occupation. The definition whereby there must be five persons or more, or three storeys or more, before an HMO qualifies to be licensed under the arrangements is far too narrow. Many HMOs in Sheffield do not have three storeys, but they still need to be part of the licensing arrangements. I hope that the Government will reconsider that. I hope that they will also accept the Rugg recommendation on the regulation of letting and management agents. It is perverse that if someone buys a house through an estate agent, they have access to a redress scheme, but if the same agent lets them a house, they do not have access to such a scheme. We should put that right.

Another issue arising in the private sector is a particular problem in London. I think that we were all shocked when we went to the flat in Westminster and talked to the woman there. Her rent had just been increased to £400 a week for a property that had been built by the local authority with public funding. It had been bought under the right to buy, sold on to a private landlord and then passed back to the local authority to be let to a homeless family and managed by a housing association. *[Interruption.]* That is quite right. The public sector was paying £400 a week in housing benefit to keep the person in the property, which is absolute nonsense.

Jeremy Corbyn: And it was built by the public in the first place.

Mr. Betts: Indeed. What we saw in evidence from Local Space, which is operating in a number of London boroughs, is that that organisation has established a housing association that accesses exactly the same money as the private landlord would have accessed and it buys properties and allocates them, through the local authority, to homeless families. It uses the benefits that are provided by the Government, through the local authority, to purchase properties that will eventually come back as part of the social housing stock. I know that there are difficulties: it is still operating on very high rent levels, which creates the disincentive-to-work problem, so it is not a perfect solution, but in terms of money going in to buy the houses for the public sector rather than going into the profits of a private landlord, it is at least a significant and different way forward. The Government have had a look at that, and I think that they have generally welcomed it. I am sure that we could encourage such a system in other parts of the country as well.

An issue that we did not discuss very much, but which is clearly back on the agenda, is energy efficiency. In the past, the Select Committee was critical of the fact that the decent homes standards did not go far enough on energy efficiency. I raised that point in the Committee the other day and I will raise it again. Everyone welcomes the additional money available for energy efficiency. We welcome the Warm Front plans, whereby people who are in priority need because they are on benefit or are pensioners in the private sector, whether they are owner-occupiers or private tenants, can access funding if they have out-of-date and inefficient heating systems to install new systems.

That money, however, is not available to social housing tenants. That is unfair, and it is discriminatory. These are some of the poorest people in the community, and for all the insulation that is put in, if people still have an inefficient heating system, they will be in fuel poverty. The Government could act quickly to extend those schemes to social housing tenants, then consider standards of energy efficiency more generally when we come on to consider decent homes plus, which I hope the Government will eventually announce.

I think that we did a good job. I particularly congratulate my hon. Friend the Member for Milton Keynes, South-West, who chairs the Committee and went to enormous trouble to ensure that we had a comprehensive set of witnesses and that a lot of evidence taking was done outside the House, in various communities up and down the country. We made many recommendations, but I will just emphasise the point on which I do not agree with the hon. Member for Chesterfield. That is not a condemnation of Government housing policy but recognition of the fact that many good things have been done, but there are still many big issues to be tackled. That is what the Committee is suggesting to the Government. We still have a lot more to do and we look forward to a positive response.

4.18 pm

Jeremy Corbyn (Islington, North) (Lab): First, I welcome my right hon. Friend the Minister to her new position, in which she is responsible for housing policy. I very much welcome that and look forward to hearing what

[Jeremy Corbyn]

she has to say. Having been in the House even longer than I have, she is well aware of the enormous pressures and needs that exist in relation to housing. They come up in every advice surgery, which MPs hold regularly.

I want to make a number of points, but I shall start with a general observation. In this country, there is a national obsession with home ownership that does not apply to any other country in Europe. Government policy, banking policy and everything else is directed towards home ownership. The assumption was that with home ownership, people automatically made themselves richer throughout that period—and through most periods since the second world war that has been the case. Now, for most of the country, it is certainly not the case.

We treat rented accommodation, whether council, housing association or private rented, as an inferior form of living, and those who live there are condemned by people who say, "Well, do you know they still rent their own home?" or "They're still in casual housing." We need to get away from that mindset and those attitudes. We need to ensure that everyone has somewhere decent and affordable to live, and we must try to reduce the use of that kind of language.

It is no accident that both Islington Members are here this afternoon. We represent inner-city communities, which have an interesting combination of people. Some in our boroughs are extremely rich—they have the image of being wealthy, aspirant people. The reality, however, is that the majority of people are not wealthy. Unemployment is well above the regional and national averages, and the housing crisis is acute and serious for many. In common with other London MPs, we have the phenomenon of very poor people living in grossly overcrowded accommodation literally next door to someone in a £1 million house. That sort of social division is getting worse across the piece.

My advice surgery, like those of my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry) and others, is dominated by people who live in appalling conditions. People living in grossly overcrowded accommodation or in private rented accommodation have a sense of hopelessness. Although some policies suggest that they should move away from crowded inner-city areas and live somewhere else, it is not as simple as that. If they have family connections, if they wish to look after older relatives or if they have education or careers to follow, it is not that simple to move. We must ensure that public policy operates in a way that provides housing for those who desperately need it.

There are three general housing matters that I want to mention. My community, like others, has seen a big increase in the number of private rented properties over the past 10 to 20 years. The number of places offered for social rent either by the council or by housing associations has consistently fallen throughout that period, mostly as a result of right to buy, although demand for right to buy has more or less disappeared of late. There has been a slight increase in social rented accommodation, entirely through housing associations, although I welcome the fact that my local authority is, for the first time, about to build 100 council homes in the borough.

The one sector that has increased phenomenally is the private rented sector. In my constituency, roughly one third of the population own their own properties; the rest are a combination of council and housing association or private rented properties. Private rented accommodation varies between the good, the adequate, the awful, the truly appalling and a national disgrace. I would be grateful if the Minister could give us some hope on the latter types.

Many people living in private rented accommodation come to my surgery, and even if they are on housing benefit, I always ask what rent they are paying. Some people do not know, so I have to dig through the paperwork and find out from their housing benefit papers. The highest that I have come across is £425 a week for a former local authority property, but the local authority property next door is rented every week to a local authority tenant for about £110 a week. As my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) said, who gets the difference? The private landlord is making £300 a week. Frankly, he does not deserve it. The place is not particularly well managed. It is an outrage. We are paying £300 a week, an excessive subsidy, to someone who was fortunate enough to be able to buy the property under the right-to-buy scheme. It is immoral.

Then one moves into the private rented sector. Victorian houses have been bought up by landlords at various times and converted into three, four or five flats to absolutely minimal standards—just enough to get through building control regulations—and with no energy efficiency measures and so on. The landlords do not bother too much with maintenance, because they know perfectly well that the local authority is no longer housing new applicants in local authority or housing association properties. Local authorities have introduced an arbitrary date—in my borough it is 2005—and said that after that date people will be allocated housing only in the private rented sector.

As a result, families are placed in private sector rented flats. The rent could be anything from double the local authority equivalent to three or four times that sum, depending on what the landlords can get away with. The condition of many of those places is disgusting. They are rat-infested, mice-infested, and there is a lack of repairs and so on. The tenants, many of whom are vulnerable, are frightened. They are frightened to contact the landlord, and they are frightened to argue because they do not know what will happen as a result. We are paying the rent through housing benefit, and we are subsidising the worst sort of spiv landlord, whose tenants are living in disgraceful conditions. What is going on is plain wrong.

Then I think, "Hang on. For £300 a week I could get a very large mortgage." Instead, we are throwing the money down the drain and into the private sector. Because the mindset of public policy is inadequate, there is no investment in housing for people in desperate social need. I would be grateful if the Minister were to acknowledge the problem—I am sure that she will—and acknowledge the need for greater control on the condition of those properties.

We also need an examination into—I must choose my words carefully—the over-convenient relationship between local authority housing departments and local letting agencies. The local agencies may get in touch with the housing department and offer 50 flats. It is easy

for the housing departments to say, "Okay, we'll take your 50 flats," and not bother to examine them too closely. It is the tenants who lose out. We need some changes.

Grant Shapps: I wonder whether the hon. Gentleman shares my despair over the fact that, during the past 10 years, so much less affordable and social housing has been built than was built during the 18 years prior to that.

Jeremy Corbyn: The hon. Gentleman tempts me to move away from the main narrative of my speech. All I would say is that I was a councillor in the London borough of Haringey during the 1970s and early 1980s, and I was proud when we managed to complete 1,000 new dwellings in one year. We were taking people off the waiting lists and rehousing them. Then Margaret Thatcher became Prime Minister; house building stopped, right to buy came in, and bed-and-breakfast and hostel accommodation returned. Let us not talk of the golden days of the Thatcher Government, because they were not golden for people in housing need. They may have been golden for those who wanted to make a fast buck at the expense of the public sector. That is all that I have to say, and I am sure that the hon. Gentleman is entirely satisfied by my response.

Emily Thornberry: Can we have some more?

Jeremy Corbyn: There is more if it is wanted, but I think that that is quite enough for the moment.

Paul Holmes: I agree with what the hon. Gentleman has said about the Conservatives' bad track record, but surely he agrees that it is even sadder that the record is worse after 11 years of Labour than it was after the bad record of the Tories?

Jeremy Corbyn: What I am disappointed about, and what makes me angry and determined to see change, is the need to build many more houses for rent. I am sure that everyone agrees that the Government have done well with the decent homes standard. We have made our estates much better, and improved them a great deal, which is good. However, we have not done anything like enough in building for social rent. That is the thrust of the report, and it is the thrust of what every hon. Member has said today. On that we are agreed. The hon. Gentleman has heard what I have said, so he is well aware of my views.

I hope that the Minister will give us some good news on the Government's attitude to council housing. I am a member of the all-party group on council housing along with the hon. Member for Chesterfield and others. We need to stop discriminating against local authorities and local authority tenants, who have freely chosen not to transfer to a housing association or to establish an ALMO. That is their right. It is unfair that local authorities such as Camden, Chesterfield and one or two others, where there has been no stock transfer, should end up losing grant and support, because they end up paying far more.

I hope that the Minister will be able to say something about reform of the housing revenue account. It is an arcane and difficult thing to understand, and most people switch off as soon as it is mentioned. However, through its method of operation, it is taking a great deal of money out of tenants' pockets and giving it to central Government. It is like a Government levy.

In my former life as a councillor and as an MP I have never been particularly in favour of right to buy, because it ends up taking properties out of the social rented sector. However, it is important to emphasise to local authorities that they now have the power to buy back under the right to buy, if they want to. Very few of them seem to be aware of that, and even fewer of them seem to be doing it.

We must recognise that the right to buy creates a number of problems. My hon. Friend the Member for Islington, South and Finsbury and I are inundated by problems in relation to leaseholders, who are often not wealthy by any manner of means. When those people bought their flats in the 1980s or early 1990s, either the situation was not explained to them or they were not aware or did not bother to read the fine print of what they were getting into, but they seem to be totally shocked every time a capital expenditure bill comes along for a new roof or other work being done. There are then enormous arguments and debates between tenants and local authorities about who will pay for the capital repairs.

Leaseholders often are not wealthy—indeed, some are very much up against it, particularly if they are older—and they are absolutely terrified when they get a bill for £5,000 or £10,000 for their proportion of the capital expenditure. We need to think very carefully about that issue and take a much more sensible approach. We also need a much more robust system to work out what the charging mechanisms are. One gets the impression that some local authorities are desperate to meet the decent homes standard—I have no complaints about that—and are not pushing the contractors hard enough on the price being paid. There are some big issues in that regard that have to be dealt with.

I want to discuss rent policies. I represent an area in which about 40 per cent. of the community lives in council and housing association property. Income levels are such that at least 80 per cent. of that population has no chance whatsoever of buying their own property. For them, the only way out of a housing crisis is through local authority-inspired renting—either through nomination to a housing association or, in our case, through Homes for Islington.

People who live in grossly overcrowded accommodation suffer in many ways. Children suffer because if one child gets the flu, they all do. If one person gets a cold, everyone gets it, because they are living in such overcrowded accommodation. That is bad for their health and for their children's well-being. Having inadequate space to play is damaging to young children. Children from 11 upwards and young teenagers feel embarrassed when they live in overcrowded places. They cannot bring their friends home for tea or to stay over because there is no space for anyone to come in, and they hang around on the streets outside instead. There is nothing wrong with young people socialising, as that is part of growing up, but when their only option for doing so is to hang around in the streets, we end up with the levels of youth disorder and crime that we have at the moment. Those children then underachieve at school, are excluded and end up being over-represented in young offenders

[Jeremy Corbyn]

institutions. We are creating social disorder, crime, misery and poverty by not investing enough money in decent housing for everyone in our society and communities. I welcome the fact that the Select Committee report has looked at those issues.

On letting policies, I understand the need for priorities. However, when someone comes in to my advice bureau to talk about their housing problems, I find myself—as I am sure other hon. Members do—deftly asking, "Are you ill?" If they say, "Not really," I ask, "Well, how not really not ill are you?" and I try to work out a hopeful way of getting them some medical points. That is wrong really, but everyone does it, because it is a way past a shortage. We go through all that, and get letters from schools, doctors, psychiatrists and social workers, and then it all ends up being rejected, and they get nothing because they are not ill or bad enough. Then they will come back two years later, psychiatrically ill because of the stress that they have been put through, and we end up re-housing them in the end.

We re-house on the basis of need, taking into account whether children or elderly people are involved and whether there is disability or illness. A large proportion of households within our society—indeed the fastest-increasing proportion of households—contain single people. They get absolutely nothing under housing policies anywhere in the country that I know of. There might be places in which they do, but I do not know of them. We must recognise that single people have rights, needs and demands, just like the rest of the community. They should not be discriminated against because they are single.

The Select Committee has said that we need to build 50,000 units a year, and the Government generally accept that figure. I have no idea where that figure came from, but we could be far more ambitious, because there is desperate need. If the credit crunch is to mean anything, surely it is that the money that the Government have set aside to allow local authorities and housing associations to purchase is important and that it must be spent on purchasing properties, where properties are of adequate value, and available land. We must use this time and this opportunity to build housing for people who are in desperate need. That would solve three problems: it would house people who are in desperate housing need; it would provide work for building workers and building companies; and it would help to regenerate the economy, as the knock-on effect of the building industry is considerable.

Dr. Starkey: Pages 25 and 26 of the report explain exactly where the 50,000 figure comes from. That was the target proposed by Shelter in its evidence to the Committee, and it was on the basis of that evidence that the Committee came up with the figure.

Jeremy Corbyn: I would not dream of arguing with Shelter. I am sure that it is absolutely right, but why cannot the figure be higher? However, I understand the point behind it.

Grant Shapps: I am grateful to the hon. Gentleman for giving way again.

Jeremy Corbyn: I am like that; I was born generous.

Grant Shapps: I agree with the hon. Gentleman about the 50,000 figure. Is he aware that in 1992, during the last recession, 60,000 affordable homes were built in one year?

Jeremy Corbyn: Yes, I am aware of the number that were built during that period, and I want us to build far more properties now. That is possible, and I hope that we can do it. The responsibility to do that rests on us all.

By underfunding housing associations and requiring local authorities to sell capital assets and land, we have got into a situation in which social housing, be it housing association or council-owned, has become an add-on to private sector developments and interests, rather than being a social good and a social objective in its own right. I absolutely agree with the points that my hon. Friend the Member for Islington, South and Finsbury has made about the disposal of capital assets by local authorities. There was a time, up until 1980, when any public authority—be it a publicly owned industry, such as the railway, telephone and water companies, or a local authority or health authority—that was disposing of any public assets had to offer them to any other public authority first, giving them first refusal. That was a good way of getting hold of redundant railway, water authority or other land to develop social housing. The Conservative Government, of whom the hon. Member for Welwyn Hatfield (Grant Shapps) is so proud, abolished that rule very quickly after winning the 1979 election.

It is time for us to go back to protecting public assets for public good, so that we can deal with the housing crisis. The financial crisis is terrible, but it presents an opportunity to deal with the pressing social need to ensure that everyone in the country has somewhere decent, secure and safe to live.

4.38 pm

Dan Rogerson (North Cornwall) (LD): It is a pleasure to serve under your chairmanship, Mr. Taylor, in such an important debate. I am very pleased that the Select Committee chose to conduct this inquiry and to provide us with a report, and that we have been given the opportunity to debate these issues. It is slightly depressing, however, that we have not moved forward hugely in the past few years. I have heard this debate several times in the few years that I have been here, and many of the issues that we are discussing today have been issues for some time. They are not newly emerging trends.

I congratulate the hon. Member for Milton Keynes, South-West (Dr. Starkey) and her Committee on the report. She picked out a number of key findings, some of which I shall return to later. I hope that she will forgive me for not responding directly to her comments now, because I shall talk about the report later.

The hon. Lady was keen to point out at the start that we are now operating in a slightly different context to when the report was written. As many hon. Members have pointed out, that has huge implications on how housing development will be provided, on the response of the private sector and on how the requirements for rented accommodation will be affected, should even a small number of people now become able or choose to get into the housing market.

My hon. Friend the Member for Chesterfield (Paul Holmes) has done a huge amount of work as a Front-Bench spokesman, as a member of the all-party group on council housing and as a constituency MP with a huge interest in those matters. He rightly pointed out the human cost of inadequate housing, and the loss of potential, productivity, educational opportunities and social and community benefits for all those whose lives are affected. That point was echoed by other hon. Members, including the hon. Member for Islington, North (Jeremy Corbyn) who spoke about the potential for inadequate housing to send young people in particular down a path that we would love to guide them away from.

My hon. Friend the Member for Chesterfield talked about the size of the task that faces us, and he had strong words to say about housing associations. I agree with him, and the Liberal Democrat party has supported the option of councils being able to build again in recent years. Although they can vary, some housing associations do fantastic work and have made great moves to increase tenant involvement and participation, and to find other ways in which they can support their tenants, be that financial support or something else. I had the pleasure of speaking at an event not far from this House, and of launching a report on housing in the south-west by the National Housing Federation. Much good work is done by housing associations.

Paul Holmes: To clarify, as I have said, many housing associations do a good job. As my hon. Friend has said, many of them are starting to help tenants train for skills for work and to give them financial advice. It just strikes me as an irony that that is what councils used to do before their budgets were cut so much that they could no longer afford to do so.

Dan Rogerson: I have given my hon. Friend the opportunity to emphasise his earlier point. Through the policies of the previous Government, and those of the present one, we have put all our eggs in one basket. We have not allowed a broad spectrum of ways in which to tackle this issue, such as allowing local authorities to become more directly engaged.

My hon. Friend spoke about the right to buy, and the potential benefits of giving people who wish to have it access to home ownership. My parents had a council house when I was born; they went on to buy a first small property and later to buy plots of land and build. Historically, there was more movement in and out of council houses. As the Hills report states, council tenants used to include a broader spectrum of incomes and levels of engagement with the community. It has always struck me that as a country, we got out of the housing market just before a huge increase in property prices. As an investment, that was a bad decision, and perhaps we are now perhaps suffering from that.

The Government's decisions in other Departments have created problems. In my constituency, there is housing that was owned by the Ministry of Defence. Under the Conservative Government, it was passed over to Annington Homes. I have corresponded with Annington Homes. It is acting to deliver on what it has been asked to do, but there are now empty homes because the MOD has not released them for disposal. That is in the context of huge housing need in towns such as Newquay.

The hon. Member for Islington, South and Finsbury (Emily Thornberry) talked about the stark divide in wealth and the overcrowding in her constituency. She also referred to choice-based letting, which is crucial. It would be wonderful for choice-based letting to become the reality, because people would be empowered to choose between properties. The reality is that people are allocated a property through the system. There is very little choice because of banding systems and people can apply only for certain properties.

In my constituency, a council has just taken someone off the list—it has a policy of doing that if someone has not applied for all the properties for which they could have applied. That is a move away from choice-based letting. I understand why the council might choose to do that if the allocated temporary housing is in a particular location and is very high cost, but that system is a problem. It means that choice-based letting does not function in the way in which it was intended to do.

The hon. Lady also made a good point about the need to prioritise family housing. In this period, there has been a big move towards single-person households. However, the fact that more single-person households are being created—people are living longer and so on—does not mean that all single people will go and live in the one-bedroomed flats that are being built. In many such cases, people are in the private sector and stay in larger accommodation. There are families with nowhere to go.

The hon. Member for Sheffield, Attercliffe (Mr. Betts) talked about the right to buy and size and location. He also mentioned section 106 agreements and the interaction with the community infrastructure levy. He and I both served in Committee on the Planning Bill as it went through the Commons, and it still remains to be seen what that interaction will be. He is right to say that that could become an issue, especially if we have a slow down in private development. There are scarce resources that people are fighting over for investment.

The hon. Gentleman talked about local decision making on policy, which the Liberal Democrats support. Under the previous and current Governments, there has been a centralising tendency. We must restore the capacity and ability for local authorities to take more strategic decisions in their own areas.

The hon. Member for Islington, North talked about the push to get people into home ownership that, rather perversely, has taken place in this country. The last Housing Minister but one still argued strongly that we should take that approach, that people aspired to own their own home and that public policy should be about helping them to achieve that. I think that a lot of people have been pushed into that route as it was the only one available for them get anywhere near the sort of housing that is appropriate to their needs. We have 100 per cent. mortgages, and I am sure that all hon. Members—as well as the citizens advice bureaux—are getting calls from people who now have negative equity and cannot afford to pay those mortgages. A huge crisis is just around the corner, and we need to deal with it.

The hon. Gentleman pointed to the issue of leaseholders who, following the right to buy now have problems due to the investment that is necessary on their properties. I remember that being a problem when I was a councillor for an area that had a lot of social and ex-social housing.

[Dan Rogerson]

We must be honest about the fact that we, as a country, and the Government are providing a subsidy. We must choose whether to continue to do that, largely through housing benefit which, as the hon. Member for Islington, North has said, effectively goes into the pockets of private landlords, or whether we should return to the provision of social housing in a far bigger way. We should look at making social housing available to a range of people, not necessarily those who have, in the words of the letting service in my area, "emergency status." We have had bronze, silver and gold bands for people to move through on a points system. Even those on the gold band who are greatly in need of housing might have to wait up to 18 months for a property to become available. There are people with medical emergencies who come in above them.

The Tenants Services Authority has a great deal of work to do, and I look forward to seeing how its role will develop. I have been able to meet a representative to talk about what it plans to do. That is important, as is how the authority will interact with local authorities. There are options for it to take an enhanced role.

The hon. Member for Milton Keynes, South-West referred to "residualisation." That returns to the point about who social housing is available for and whether it should be available for a broader cross-section of people. Recommendation 31 in the report focuses on that and the fact that we should be having a broader discussion on how social housing can be used. I have already referred to family housing, but we need to revisit that. Of course, that debate interacts with the planning system, the regional spatial strategy process and interactive local development frameworks. Arguably, sometimes, in areas where there are higher housing targets, those things empower developers more than local authorities in the negotiations to come up with the right solutions.

The report also talks about the private rented sector. Some very complicated housing benefit issues need to be resolved, as many hon. Members have been keen to point out, but most people agree that we are not really achieving the best value for money in using the private rented sector as a tool to deliver for our constituents.

Tenure is a key issue, especially in relation to families, as my hon. Friend the Member for Chesterfield has said. Recommendation 36 relates to what the Law Commission had to say. Some valuable work needs to be done on that, and hope that the Minister has the opportunity to do it.

The Rugg and Rhodes report asks why tenancies fail, as the hon. Member for Milton Keynes, South-West has said. It is not necessarily that they fail, but smaller investors in buy-to-let do not take the long-term point of view; because they want a shorter-term profit. Recommendations 65 and 66 address real estate investment trusts. There could be many benefits from making a residential REIT work, in that it could provide a more structured way for people to invest, which would hopefully encourage a longer-term investment and allow better-quality private rented accommodation, and accommodation that could be targeted at more specific groups. Some hon. Members have discussed studentification in their constituencies, meaning when terraced housing or whatever has largely gone over to students, and the effect that that has had. Quite often, it is not appropriate accommodation for students and their interests are not best looked after. There is a lot to be won from investigating the possibility of private tenancies targeted at particular groups.

I welcome the Minister to her position—I apologise for not doing so at the beginning of my remarks. She has a huge amount to do and, given the economic circumstances that we face, she has only a short period in which to get to grips with it and to have a real effect. My party wants an attractive rented sector to get over the problem of people being pushed into home ownership, when that is not appropriate. We want the sector to be responsive to the different needs of different regions, people and families, and we want it to provide people with decent, affordable places to live with a sufficient length of tenure.

4.52 pm

Grant Shapps (Welwyn Hatfield) (Con): May I begin by saying how much I welcome the Committee's work and how interesting it was? I congratulate both the Chairman of the Committee and other Members who worked on the report. I agree with an awful lot of the report—the vast majority—and it is a good, thoughtful piece of work on the private rented sector.

I also welcome the Minister to her new position. It is the first opportunity that we have had properly to debate a housing issue, and I look forward to many other occasions. Indeed, I hope that our debates continue longer than they did with her two predecessors—she is third Housing Minister that I have faced in 2008 alone. I hope that they give the Minister a greater chance to get used to the portfolio.

The scope of the review, and the detail in the Government response, mean that it is impossible to cover many of the interesting recommendations and responses in the short time that I have available. I therefore thought that I would simply pick out a few things on which there should be greater clarity, particularly on the Government response to the Committee's excellent work. When we look at any area of housing, but especially the private and public rented sectors, we find that the overall supply of housing is the critical thing—it is the driver for everything else that happens in the sector. That was mentioned several times today.

I wonder whether, actually, this afternoon is a useful point at which to clear up an area of confusion. Comments by the new Housing Minister last week rather set the cat among the pigeons. She told a recent meeting of the Committee:

"I think the most challenging of the targets was the 3 million"

homes by 2020. There is no doubt about that, but she added:

"but that was an ambition actually".

The Minister for Housing (Margaret Beckett) *indicated assent.*

Grant Shapps: The Minister indicates that it was always an ambition, but that is not what the Prime Minister said on 11 July 2007, when he announced the draft legislative programme. He said that there would be 3 million homes by 2020 and that:

"For England, we will raise the annual house building target for 2016 from 200,000 houses a year to 240,000 new homes a year"—[*Official Report*, 11 July 2007; Vol. 462, c. 1449.]

It was clear that the Prime Minister thought that it was a target. The Secretary of State for Communities and Local Government, on the 27 November 2007, when she was talking about the planning White Paper, very specifically mentioned achieving the target for 3 million homes—there was no ambiguity about it. The Minister's immediate predecessor, the right hon. Member for Don Valley (Caroline Flint), said:

"We believe that a total of 3 million new homes needed by 2020 will be delivered by 2020",

and, what is more,

"we will deliver the target of 2 million by 2016".

Margaret Beckett: To save the hon. Gentleman from reading another 15 examples of where the word "target" was used, may I just say that my understanding was that it was always an ambition? Most people use the words "ambition" and "target" relatively interchangeably. My main point to the Committee was that nothing has changed, in that we are not abandoning the desire to press on to provide greater social housing, which a number of people argued we would have to do because of present economic circumstances.

Grant Shapps: I do not think that we have time to get into a lengthy discussion about whether the words "target" and "ambition" are interchangeable. If they are as interchangeable as the Minister says, I invite her to use the word "target", if that is what she means, when she responds.

Emily Thornberry: Will the hon. Gentleman inform the House whether his party supports the Government's target or ambition to have that number of houses built in that period of time?

Grant Shapps: As the hon. Lady knows from sitting opposite me for hours in Committees, we want to see more homes built. In fact, we have a very proud record of building more homes. We do not think that the way to do that is to set a top-down, centrally driven, Whitehall-dictated target to build homes. She has heard me say this before: if I were to ask the appropriate Minister what the tractor building target was by 2016 or 2020, the Minister would look at me as if I was mad. Governments do not have those types of targets. They do not have targets for car production, for example, but, for some reason, they have a target—which now turns out to be merely an ambition—for house building, which makes no sense.

If one wants to know why it makes no sense, one has only to look at the situation in the year since the target was set. The simple fact is that it will not be reached and it turns out in fact not to be a viable approach to house building. With the benefit of hindsight, we can see that the housing shortage was being promoted not only by the severe lack of house building, especially in the past 10 years and, I concede, previously—I will return to that in a moment—but by the excess credit that was allowed to build up. That enabled people to take out mortgages and do all sorts of things related to private rented sector, such as take out buy-to-let mortgages at 125 per cent. and four, five or six times salaries. The Treasury and the man who is now Prime Minister failed to call time on those banks and took the ability to do so away from the Bank of England. It is not only a question of total housing targets, but of demand that was built at an expanded, bubbled price.

Mr. Betts: May I help the hon. Gentleman to understand the difference between homes and tractors? Could it be that in law, many people have a right to a home—everyone ought to have a right to a home—but it is not quite so necessary for people to have a right to a tractor?

Grant Shapps: That is a better explanation than I have had from any Minister so far, so I certainly accept it.

The fact is that fewer homes have been built every single year in the past 10 years—let us leave out the credit crunch, which constitutes exceptional circumstances—than in the previous 18 years. I will give the figures to hon. Members. Something like 145,000 homes have been built in each of the past 10 years. That compares rather unfavourably with the 175,000 that were built every year during the previous 18 years. As if that is not bad enough—and I was seeking the views of the hon. Member for Islington, North (Jeremy Corbyn) on this earlier—the number of affordable homes has collapsed compared with the previous 18 years. The Government have not built as many homes in the affordable bracket in a single year as we did every single year in the previous 18.

I do not want to get buried in a debate about the past and claim that everything was rosy. The report makes some very intelligent remarks about the impact of right-to-buy schemes when the money was not reinvested, and the impact now of such schemes when the money is being spent on things such as the decent homes standards, which will not be met. In any case, we know that the amount of housing, particularly council housing, that has been built has crashed. Just before we left office, we built 1,550 council houses a year. Last year, 263 were built across the country. The big macro picture shows us that there is not enough rented housing. I estimate that the number of homes built over the past 10 years has dropped by about a third of a million.

I want to use the rest of my time focusing on the specifics of the report, and asking questions of the Minister. I notice a bewildering array of different targets in the Government response. For example, it says that

"we have made substantial progress over the last ten years"

in increasing the supply of affordable housing. As we have just discussed, that is completely untrue. The report then goes on to discuss targets. It says that 70,000 "new affordable homes" will be built per year by 2010-11, of which 45,000 will be social homes. The next paragraph says:

"We remain committed to a substantial increase in social housing and 50,000 units a year remains our long-term aspiration."

In that context, long term means about a year and a half. I am confused as to which of those figure we should be relying on. Will the Minister tell us when she responds? Moreover, will she tell us whether they are aspirations or targets as the figures seem to fall into both camps?

The report refers to the national mobility scheme, which collapsed and was never put back into place. Will the Minister tell us what steps are being taken to set up a national mobility scheme, because that is not mentioned in the response?

[Grant Shapps]

The housing benefit issue, which is mentioned on page 9 of the report, is that, in so many cases, it is much better not to work. I had a very memorable trip to an area in Hastings, which has an horrific problem—in common with a lot of our seaside towns—of poor-quality houses in the private rented sector. People were being paid housing benefit when they desperately wanted to work instead. I met people who were accepting the pay cut and going out to work. In the response, the Government say that they are undertaking a review which they expect to conclude next month. Will the Minister tell us whether that review will report on time?

The housing reform Green Paper has also been promised by the end of the year. I imagine that it will come in the Queen's Speech. Will the Minister confirm whether we can expect to see that, because I think that we have all heard rumours of a delay?

I understand that the report was started in 2006, reported in May and responded to in September. Since that time, we have had a tremendous crash, to which many hon. Members have referred. Will the Minister confirm whether she has had the opportunity to inspect housing association books or to discuss with the Homes and Communities Agency the significant financial pressure that a number of associations may be under because of the crash in the value of their portfolios?

The issue of the right-to-buy receipts is very contentious. Every time the matter is raised, people take very specific positions. We have seen that in today's debate. However, it is pretty obvious that we must ensure that right-to-buy receipts are recycled to pay for more affordable or social house building.

The Government response mentions a review that has been set up to consider the right-to-buy receipts and how they should be spent. After talking to my own council in Welwyn Hatfield and to many others across the country, we know that 75 per cent. of those receipts are returned to central Government, which means that there is no way in which local authorities can continue to invest and build affordable housing.

Dan Rogerson: We welcome this move from the hon. Gentleman's party. Will he concede though that the horse has bolted on this one? So many places have already gone through the right to buy. Given that property prices have increased so much, the numbers taking on the right to buy are so much lower now that it will not have such a significant effect.

Grant Shapps: There is still a significant number of council-owned homes. My council has about 9,500 such homes. The figures elsewhere are still pretty big. There are also right-to-buy schemes in housing associations and in other situations. If we are to get sustainable, long-term, affordable social housing built, we have to have the money reinvested. I take a pragmatic view on the matter. We should do whatever is necessary to get new homes built. There has been a complete and utter failure to get new house building going, which has had a huge impact on the social and private-rented sector, and we need to fix that position.

Paul Holmes: Will the hon. Gentleman clarify whether his party—should it have the power—would allow local authorities to decide whether a right-to-buy scheme is correct for their area rather than imposing it from the centre? The Conservative party has suggested extending right to buy to all housing association properties. Is such a policy on or off the agenda?

Grant Shapps: Localism is the way forward. Areas need to develop in a way that suits them. The response says that community land trusts—or something that sounds like that—are a very good way of ensuring that individual areas can do their own thing and invest in the way that they want and keep the land in public ownership or in a trust ownership in perpetuity for the benefit of people in the future. None of us can deny that there is a big debate over right to buy. If one did not believe that public housing had seized up, that there was a record waiting list of 1.7 million families and that some of the reason is that people are not moving out of homes that are no longer suitable for them and their families, one would not have grasped the scale of the housing problems in this country. We know that 1.7 million families—perhaps 5 million people—are on a public waiting list, and that that has to be tackled. I think that right to buy has a part to play and that could extend into registered social landlords. However, we have to ensure that when such properties are sold, the money is reinvested in producing more affordable and social housing. That makes perfect sense.

Emily Thornberry: The hon. Gentleman has caused a degree of confusion. Is it the Conservative party's policy to have right to buy with no subsidy, so that the money can be reinvested in building? In other words as one house is sold, another is built. Is that Conservative party policy, or does the hon. Gentleman believe that there should be a substantial subsidy as well?

Grant Shapps: Realistically, we cannot sell one property and then build another. The maths do not work out. The Homes and Communities Agency has an £8.4 billion budget over three years. That money is supposed to be spent on affordable housing. Will the Minister tell us how much of that money has been allocated and how much of it has been spent?

Perhaps we can find out at the same time when the three-year period for that £8.4 billion started and at what point it will end. I have been in conversation with the chair and the chief executive of the new Homes and Communities Agency, and it is clear that they do not understand the budgets and cannot get their heads around the figures. I have requested detailed financials from the agency—a body that will spend some £15.5 billion in public money a year, £8.4 billion of which will go towards affordable housing over three years—and it does not know how the numbers are made up. Will the Minister be kind enough, either to tell me today or to send me a note in future—I understand that this is unexpected—to explain how the budgets will be separated?

To answer the intervention accurately, of course public money must go into it. I had a similar intervention from the hon. Member for Islington, North. When we were in power, we built 60,000 affordable homes in 1992, a year of recession. Even the Government's targets mention only 45,000 or 50,000, variously; it is hard to know which. The reason why we built more was pointed out earlier. It is because we put more public subsidy into it, and because the system that delivered housing was not top-down but bottom-up. It did not rely on Ministers

thinking that they knew best and directing regional assemblies to plonk down housing in localities; it worked with local communities to deliver housing. We know that there is a better way to do things; we have seen it in operation. I invite the Minister to share, as the Government have tended to do in the past year, in some of the Conservatives' better ideas on housing. Perhaps we can work together to create the affordable housing and better rented sector that we need in this country.

I want to ensure that I give the Minister adequate time to answer this flurry of questions, so I will end by asking her just a couple of questions. Last year, the Conservative Homelessness Foundation produced a report showing that 130,000 children in this country are now homeless. That is twice as many as 10 years ago. Does she think that there is anything in the review of the rented housing sector that would be of help and comfort to those 130,000 homeless children? Is there a measure or some response that I have not picked out that would reassure them that the Government are on the problem?

Finally, as has been mentioned, there is dramatically less housing overall than in the period preceding this Government. Will the Minister do what neither of her predecessors seem prepared to do and admit once and for all that the problem with housing is that too little has been built in the past 10 years? With the admission of that problem comes the resolution to the problem of the private rented sector and much else besides.

5.12 pm

The Minister for Housing (Margaret Beckett): It has been a fascinating debate. I may as well say at the outset that the chances of me answering in 15 minutes the plethora of questions that have been aired are not high, although I will certainly do my best to deal with the main issues: the subject, the Select Committee's excellent report—which, like everyone else who has spoken, I commend—and the general discussions that we have had and will have about the overall issue of housing supply. The Chair of the Select Committee, in giving her masterly summary of the report's key points and picking out some of the issues that interested her, reminded us all forcefully of the key importance of the subject. As I said, I will say something about the key points of this debate rather than dealing with all the detail of the specific issues raised.

Hon. Members will be aware that we have already taken forward many of the recommendations made in the report. I will endeavour to update the Committee on that and on what progress has been made, but it is worth first making a point that I believe was made by the Committee Chair at the outset and was touched on but not dwelt on during our exchanges. It is not in dispute that in the public mind, and perhaps particularly in media commentary, renting a home is often seen in this country mainly as a stepping stone to home ownership. For many people, that is undoubtedly true and may remain so. However, I completely accept and have always held the view that rented housing also plays a much wider role in our society than that common assumption acknowledges.

A huge variety of people, from those starting out in their careers to retirees and wealthy professionals to those on housing benefit, all gain—in their different circumstances, and perhaps for different reasons—from the greater flexibility and choice that can be found in rented housing, including in the private rented sector. Social rented housing also plays an invaluable role for those who need greater security or stability than can be found in the private rented sector but who cannot sustain private home ownership. My hon. Friends the Members for Islington, South and Finsbury (Emily Thornberry) and for Islington, North (Jeremy Corbyn) both made powerful points about that in the context of constituencies such as their own. Many people cannot sustain private home ownership and are unlikely to be able to do so for some considerable time to come, if ever.

Because of the many benefits and the wide variety of people that it supports, rented housing must not been seen as second best. The Committee report made that point and dwelt on it, which is welcome. It is good that it has come through clearly and that it is common ground in this debate that all who rent their homes, whether in the public or the private sector, ought to get the best possible quality and service. The Government and the Select Committee are in complete agreement.

The Committee's wide range of recommendations fall broadly into three categories: that we should increase the supply of both private and publicly rented homes—most of today's exchanges have dwelt on that—that we should improve the quality of homes in the private sector and that we should improve the quality and service available in social housing. I shall take each of those broad themes of the report in that order.

Last year, we committed to the biggest home-building programme for many years, perhaps for decades, whose ambition was 3 million new homes by 2020, with a particular focus on affordable and social housing. As has been said, over the next three years, we will invest more than £8 billion in the programme. I have not had any specific discussions with the new chair and CEO of the HCA, to whom the hon. Member for Welwyn Hatfield (Grant Shapps) referred, not least because the HCA will not be set up until 1 December. I was interested to hear what he said. From the little that I have heard, I would be surprised if it were true. I do not know Sir Bob Kerslake very well, although I know that is not necessarily the case for other Members on the Committee, but from my relatively brief acquaintance with him, I do not get the impression that he is a man easily confused, especially by worries about the amount of money available to him and how to use it. I look forward to hearing from Sir Bob Kerslake whether that is indeed how he feels.

Grant Shapps: The organisation will spend £15.5 billion in public money and will be answerable to the Minister, or at least to the Secretary of State. I would be most grateful if she agreed to investigate the budgets and send a note.

Margaret Beckett: I am not sure whether we are not slightly at cross purposes. Yes, the agency will report to me, and of course I expect over time to have many discussions with the agency about what it can do, the scope, how it uses its resources and so on. What I thought that the hon. Gentleman was asking me, amid his plethora of questions, was whether in the three and a half weeks that I have been in this post I have been examining books of housing associations. I freely admit

[Margaret Beckett]

that that has not been my earliest priority. However, as someone who has in the course of a chequered career been shadow Chief Secretary to the Treasury, among other things, I take a keen interest in value for money and how public money is used, and I will always do so, not least in this sphere.

As has been said, the Government's aim is to deliver 45,000 social homes a year by 2010-11. I am not sure how the confusion arose in the hon. Gentleman's mind, but the figure of 70,000 homes that he mentioned, which is in the Government's response, is the overall number of affordable homes, including those for purchase. The figure of 45,000 relates specifically to social housing for rent. Almost 25,000 social homes were delivered during 2006-07, and I understand that the expectation for 2007-08—we do not have final figures yet—suggests that we are on a reasonable trajectory to meet our target. Of course, that was before the global economic crisis, and we will all have to reassess that trajectory.

The hon. Member for Chesterfield (Paul Holmes) asked me a series of questions. Actually, he did not ask questions, he made a series of sweeping assertions about the Government's complete failure, as he sees it, to act at all on the provision of social housing. He asserted, for example, that councils are prevented from building, which is certainly not my understanding. Indeed, other hon. Members have referred to building that has taken place in their local authority areas, so it would appear that that prohibition applies in Chesterfield but nowhere else. He rather ignored our target of 45,000 and the figure of 50,000 to which the Select Committee urged us to aspire. We do indeed aspire to that, and we will consider how we can deliver it. Both those targets clearly show that although I would like the Government to do more, to assert that nothing has been done is too sweeping.

Both the hon. Gentleman and my hon. Friend the Member for Islington, South and Finsbury mentioned larger homes, and my hon. Friend the Member for Stroud (Mr. Drew), who is sadly no longer in his place, mentioned rural housing. On each of those matters, the Government have targets. We have provided for rural homes, particularly in smaller settlements, and for larger homes. The Housing Corporation was set a target for the completion of larger homes in its current programme, including in London. None of that should be taken as suggesting that I am happy with current provision. The Select Committee is not either, and no one can be. However, it is going too far to say, as the hon. Member for Chesterfield appeared to—I hope that I misunderstood him—that nothing has been done.

Paul Holmes: Page 25 of the report shows that a target of building 50,000 homes—it is only a target—would, according to Shelter and the Barker report, only accommodate extra annual demand. It would not clear the backlog of 1.7 million people on the waiting list. A target does not excuse the Government the fact that in the past 11 years, they have failed to build more than an average of 22,000 homes for social housing. That has allowed the waiting list almost to double, which is a clear Government failure. If councils could build only 260-odd houses last year, that does not exactly show that the Government are encouraging the building of council houses.

Margaret Beckett: I think that the hon. Gentleman is perhaps resiling slightly from his rather more sweeping assertions. He is now saying that the targets were not high enough, and that not enough was provided. I share that point of view, which is not the same as saying that nothing has been done and that it has all been an utter failure. I remind him that one of the features of the investment that has been made in housing under this Government has been the enormous scale of the decent homes programme, to which a number of hon. Members have referred.

We have been responding positively to the recent economic turbulence and looking for new ways to ensure that delivery remains on track. For example, we will be spending £200 million on buying unsold stock from house builders and making it available for affordable housing programmes. Already £72 million has been allocated under that programme, buying more than 2,000 properties. We have also brought forward £400 million of planned spending so that we can deliver up to 5,500 new social homes in the next 18 months. I know that the Committee has recognised that the house building programme will be more challenging in light of the current economic climate. There is no question but that the turmoil in the financial markets has seen mortgage lending plummet, and that that has had severe consequences for the house building industry. No portion of the housing sector can be shielded totally from those consequences.

I welcome the thrust and the tenor of this afternoon's discussion, because our longer lives and changing lifestyles and the tremendous mismatch between supply and demand mean that continuing to increase the supply of housing must remain the first priority for the Government, as I know it is for the Committee. The context of delivery might be changing, but the underlying need is not. The decent homes programme was important, and I hear what my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) says about the need for it to be maintained. I absolutely agree with the Committee's members, almost all of whom have said that supply is key to each and every one of the housing problems that arise.

The report also mentioned the private rented sector and the quality, as well as the quantity, of social housing. Hon. Members have referred to the independent review of the private rented sector conducted by Julie Rugg, which reported recently. It recognised the important role that private rented housing plays in meeting housing need, and many of the recommendations chime with those made by the Select Committee. The report showed that although the vast majority of people are satisfied with their experience, there is still much more to do not only to protect the most vulnerable from the minority of unscrupulous landlords but to professionalise the sector more generally to raise the standard of service.

I accept entirely the point made by my hon. Friend the Member for Islington, South and Finsbury, and acknowledge the scale and importance of the problems that can sometimes arise. We are urgently considering the report's recommendations, including whether a light-touch licensing system for landlords and mandatory regulation for letting agencies would better help protect the interests of consumers and of good landlords. I recognise that that was the thrust of the Committee's remarks.

The quality of social housing was another theme of the report. Again, I recognise the concern that was raised in the debate. The Government accept, and will seek to deal with, some of the issues involved.

We touched, although perhaps no more than that, on the housing benefit system. The report noted some of the unintended outcomes of how the system currently operates and the widely felt concern that it can be a disincentive to work. We are working on a comprehensive review of housing benefit with the Department for Work and Pensions. I am not sure that anyone said that it might be finished by next month, because it needs to be truly comprehensive, but we are certainly keen for that work to take place. I have always been a strong believer in evidence-based policy making, and evidence is undoubtedly required for it to become a reality.

The Committee welcomed moves on greater tenant empowerment, and we have continued with that. I look forward to the new Tenant Services Authority championing tenants' interests as well as being responsible for regulation, as I am sure the Committee does. We accept the Committee's view that there ought to be one regulator for all types of housing, and we are committed to achieving that as soon as possible as well as setting up the national tenant voice.

The Select Committee raised many of the issues that emerged from the Hills review. Its members know about, and have recognised in the debate, the many initiatives to at least begin to address some of the concerns that that study threw up. The main point that has run through the debate, and through the Committee's report and the Government's response, is the overwhelming importance of housing supply. There are a number of matters on which we need to examine the current systems, so that we can try to address some of the problems ably raised by members of the Committee, but supply is key.

The sitting having continued for three hours, it was adjourned without Question put.

Adjourned at half-past Five o'clock.

Westminster Hall

Tuesday 11 November 2008

[HUGH BAYLEY *in the Chair*]

Housing (Greater London)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Chris Mole.]*

9.30 am

Hugh Bayley (in the Chair): May I remind hon. Members that last week Mr. Speaker made a statement saying that all hon. Members, officers and staff of the House who wish to observe a two-minute silence at 11 o'clock this morning will be able to do so? Therefore, at 11 o'clock I will be standing and I hope that those hon. Members who are in this Chamber will join me at that time.

Jeremy Corbyn (Islington, North) (Lab): I welcome this debate and I acknowledge your point, Mr. Bayley, so we will finish in good time to allow us to observe the two-minute silence.

This is not the first debate that we have had on housing in London and it certainly will not be the last. A number of recidivists are here, including my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) and the Minister. I guess that we will debate the matter quite a few more times, because the housing situation in London is difficult and, for the constituents whom my colleagues and I represent, it is dire.

There is a huge amount of housing stress. The current financial problems—the credit crunch—have exacerbated these difficulties, with a number of people moving into negative equity, although I suspect that a lesser proportion have moved into negative equity in London than in other parts of the country. There are also problems with repossession and there is a huge level of stress among owner-occupiers.

London housing is expensive, both in the private rented sector and in the purchasing sector. The lending policies of many of the banks and building societies over the past few years—lending astronomical proportions of people's income, often relying on two incomes—mean that there is a serious crisis if one partner loses a job or does not get the bonus that was expected. I hope that the Minister will offer us some assurance about the behaviour of the banks and the building societies on the repossession policy, because repossession of a property benefits almost nobody; it is a disaster for the family concerned and is traumatic for the children of that family, which often ends up homeless and a charge on the public assets anyway. I hope that, since we have put £34 billion into the banks and given a huge amount to them in loans, we will use the power of public ownership of the banks—or at least part public ownership—to enforce on them a much more humane, rational policy on lending and repossessions. That does not just apply to London; it applies to the whole country.

Broadly speaking, 58 per cent. of Londoners live in owner-occupation, 9 per cent. live in housing association properties, 19 per cent. in private rented accommodation and 14 per cent. in local authority properties. Those figures are from a couple of years ago and I suspect that the number in owner-occupation has gone down, the number in private rented has gone up a great deal and the number in local authority accommodation has probably remained roughly the same.

The problem in London is that housing is so expensive that local authorities are not building as much as one would hope. The housing associations have similar problems. So many people are having difficulty buying that they are forced into the private rented sector—indeed, many are forced into the private rented sector by local authorities that have nowhere to put them or because the housing associations cannot do it. On top of that, the number of starts, particularly in the private sector, has decreased a great deal—by 19 per cent. in one year, in respect of the relevant quarters. The number of starts by registered social landlords—that is, housing associations—is roughly the same. However, the number overall has gone down. The number of completions has also gone down. We are looking at an acceleration of decline, which is a difficult situation to be in.

The useful briefing provided by the Greater London authority states:

"London has by far the greatest housing needs of any English region…50,000 households are homeless and living in temporary accommodation in London, and around 200,000 households are overcrowded."

We also have

"the highest house prices in England, with acute affordability problems in most boroughs…In the last three years nearly 75,000 new homes were built in London, 34 per cent. of which were affordable homes (either social rent or products such as shared ownership for those on intermediate incomes). These figures do not include several thousand vacant homes returned to use and non self-contained units in hostels and halls."

I mention that because the word "affordability" is thrown around too easily when we talk about housing needs in London. The reality is that, certainly in my constituency and, I suspect, in those of my colleagues, there is no possibility for 80 to 90 per cent. of the people that I represent to buy a home in the community where they live. The figures vary across London, but there is probably no constituency where even half can afford to buy within their community. This is a serious crisis.

The reality is that we are not building enough homes. The Housing Federation briefing states that we are

"not building enough homes. Only two thirds of the social homes needed in the capital each year are being built and, overall, London needs at least an extra 11,000 new homes a year…The number of people made homeless in London last year outstripped the number of new social homes built. Over 15,000 families were accepted as homeless by London councils last year. But fewer than 11,500 new social homes were built."

In other words, the number of people who are homeless is increasing; the social disaster is getting worse. It goes on:

"House prices cost over 14 times the average Londoner's income and private rents are more than twice as expensive as social rents…In 2007, the average cost of a London home was £355,000…Buying at the cheapest end of the London market still requires an income of over £56,000, more than double median earnings in the capital."

This is a disastrous situation.

Mr. John Randall (Uxbridge) (Con): I welcome what the hon. Gentleman says. If I can catch your eye, Mr. Bayley, I hope to elaborate on some of the points. Does the hon. Gentleman agree that it is utter madness to consider the plans for a third runway at Heathrow, where 3,000 or 4,000 homes will be demolished, when the number of homes and houses is so pitifully short in the London area?

Jeremy Corbyn: I am completely with the hon. Gentleman on the future of Heathrow airport. I am opposed to the third runway for many reasons, including the potential loss of housing if it goes ahead. That will not necessarily make an enormous difference to the huge housing issue that we are dealing with across London, but it is one of many factors.

Before I go into how we look at and deal with the problem—the solutions—I ask hon. Members to think for a moment about the issues facing people in London: a higher proportion of their income than in any other part of the country goes on housing; house prices are the highest of anywhere in the country; the housing waiting lists are the longest; the housing transfer lists are the longest; the number of people who are homeless is the highest; the number of people living in hostel accommodation is the highest; and the number of people who are totally homeless is the highest in the whole country. Those things have a huge effect on society in lots of ways.

I represent an inner-city constituency, which, like all other inner-city constituencies in London, is a peculiar nexus, being both very expensive to live in and very poor at the same time. The stresses caused by housing problems are huge. There are people who, if they could dispose of their housing assets, are theoretically capital rich. However, in reality, they are often cash poor because they spend such a huge proportion of their income on mortgages.

Some people live in council or housing association accommodation that, by any stretch of the imagination, is grossly overcrowded. That means that if one child gets sick, all the children get sick; if one child cannot do his or her homework, none of the children can do their homework; if one child cannot bring friends home, none of the children can bring their friends home. Gradually, we end up creating a situation in which the children of such families are underachieving in school, the families concerned suffer from poor health and the teenagers of such families spend more time out of the home than they necessarily want to because there is no space for them to entertain or be at home. That therefore leads to the problems of underachievement in education, and increasing rates of social disorder and crime.

Frankly, children's lives are being wasted because they do not have anywhere decent or reasonable to live and they cannot survive in the family unit. Too often, that leads to family break-up. How many of us, as London MPs, have sat in our advice bureaux and listened to the most heartrending stories of people who live in grossly overcrowded conditions? Families cannot survive if there are three or four children living in a one-bedroomed flat, as, unfortunately, is often the case. The local authority then sends a letter to such families which states that they do not have enough points for the bidding scheme. London is awash with people who are desperate to get the local paper every Thursday to start the choice-based letting process. By the end of the day or a few days later, such people are disappointed and it is up to us to try to do something about it.

Another important aspect is the effect of the problem on single people in London. Household structures are changing rapidly across the whole country. Although the notion of the two-parent, two-child household clearly exists in many parts of the country, it is less and less becoming the norm. People live much more complicated lives and many more people choose to live a single existence. I have faced the problem—I am sure colleagues have, too—that when single people who are threatened with homelessness, or who are homeless, arrive at my office or advice bureau, there is nothing I can do for them unless they have a serious medical condition. Virtually all local authority lettings policies—understandably, I suppose—give greater weight to people with medical conditions, older people, families or children. They put almost no emphasis at all on the needs of single people.

I have met people who have a reasonable job as sales representatives in a shop, for example, but who sleep in cars and go to a public toilet in the morning to freshen up and make themselves look smart for the day. They then go and work in west end shops and go back to sleep in a car at night because they cannot afford the deposit for a private rented flat. Even if they could afford to take on a flat, they cannot afford the rent. We must do something about that. Changing the allocation policy is part of the action we need to take, but we also need to build far more places to rent.

I have mentioned the high social cost, which is disastrous for many people who suffer from housing problems as a result of the housing shortage in London. However, there is also a big financial cost because all local authorities have built hardly any or no properties at all during the past 20 years. The social building that has taken place has been largely done by housing associations. Under right-to-buy legislation, local authorities have been forced to sell a large number of properties. There is a declining public sector, and an increasing demand on that public sector. Local authorities can no longer house people in council housing association places, so they are forced to place families in private rented accommodation. Sometimes the local authority will pay the deposit and sometimes it will have a leased arrangement with people. Such accommodation is very expensive.

Last week, we had a debate about rented accommodation, and I am sure the Minister understands that there is an over-convenient relationship between most London local authorities and local letting agencies. Local authorities simply call such agencies and say that they need 50, 100 or 200 flats and they produce them. However, it seems that little inspection is made of those places. The places I have visited are disgusting, and that is reflected in the reports that I have read. People are forced to live in such conditions; they have no choice because that is where they have been placed. The rent levels are not cheap; in fact, they are phenomenally high. I know families who are paying—or are having paid for them through housing benefit—£300 or £400 a week for inadequate accommodation.

Mr. Mark Field (Cities of London and Westminster) (Con): I entirely agree with the hon. Gentleman; he makes an important point. Does he agree that part of

the difficulty is that there is a relationship between local and central Government in relation to the housing benefit rules? That also makes the problem of affordability acute. I endorse what he said about the appalling human cost, which applies even in relatively wealthy boroughs, such as the city of Westminster—as it does, of course, in Islington.

Jeremy Corbyn: I thank the hon. Gentleman for that intervention. We must deal with housing benefit with great care. First, I should state that I support the housing benefit system in the sense that it gives people the right, when they are on income support, jobseeker's allowance or a basic state pension to receive support for their housing costs. I do not want to take that away from anybody.

However, I have a problem because, in effect, the local housing market is maintained by the housing benefit system, through which high rents are paid. That maintains what somebody decides is the market level and the problem goes on. The cost to the public is phenomenal. A few weeks ago, a family came to me who were living in a small, former council house. The rent was £420 a week. The house next door is still owned by the local authority and the local authority tenants were paying a rent of something like £100 or £120 a week. In other words, there is a £300 gap, which goes to somebody who bought the council place on a discount some years ago. Owners of former council houses can live off that money quite easily because their mortgage is probably small—or perhaps they do not have a mortgage. They can live off one property and we, the public, are paying the difference. We, the public, are paying a phenomenal amount of money to keep somebody in temporary accommodation, which normally involves a six-month contract. In the case I have mentioned, the property was in a reasonable condition, but often the conditions in which people live are appalling.

I am not given to quoting the *Evening Standard*; indeed, in many ways, I do not have a huge regard for the paper. However, yesterday it provided an interesting breakdown of housing benefit costs across London. The article states that they amount to £4,151 million—in other words, £4 billion a year is spent on housing benefit in London. As I have said, I have no problem with people receiving housing benefit. However, if we break down the figures further, the average cost created by people in private rented accommodation who receive housing benefit compared with those in social rented accommodation is more than double. We are subsidising a private rented system and something has to be done about that. I reiterate that I am not in favour of taking the right to housing benefit away from people and I am not in favour of red-lining. However, I am in favour of examining the problem. We must consider putting in place rent controls across London or the country, as the Labour Government of the 1970s did to deal with a similar housing crisis. We must be prepared to be bold in dealing with the problem.

Mr. Field: Does the hon. Gentleman agree that a difficulty with rent controls—this goes back to the first world war when they were first imposed—is that often the quality of housing stock can deteriorate rapidly? Although one might agree that it is right to make things affordable, often the unintended consequences of rent control can be disastrous, particularly for the poorest in our communities.

Jeremy Corbyn: I recall that during the days of rent control, the rate was often so low that there simply was not enough money to pay for building repairs and maintenance. We must take account of the need to retain sufficient quality of housing and, of course, I understand that point. However, I think that during this crisis, we, the public, are being ripped off big time by the private landlords across London.

We must consider what action we should now take. When local authorities carried out large volumes of building work in the '50s, '60s and '70s, most of it was a result of direct Government grants to local authorities—in some cases, through 60-year borrowing arrangements. Indeed, many hon. Members in the Chamber today are former councillors and will be well aware of that situation.

The housing association movement grew, and 70 per cent. of its capital expenditure was initially borne by central Government grant. Successively, local authorities have almost ceased building altogether. One or two of them are doing small amounts of building at present, and I hope that that is a good sign of a return to building. Housing associations increasingly have to borrow a higher proportion of their capital expenditure on the money markets and have increasingly stopped looking like social landlords or social associations. Increasingly, they look like property companies with a social conscience that have to borrow large sums to build. They build almost speculatively, and they expect to sell a proportion of whatever development they are doing. With what is left over, they are able to build for rent, which is the very purpose that they were set up for in the first place.

Increasingly, the social housing that we get in London is a result of planning agreements under section 106 of the Town and Country Planning Act 1990, whereby there is a requirement that a proportion of the construction be left over for affordable housing, which means a combination of part-rent, part-purchase properties and direct social renting to people in desperate housing need. With the slow-down in the construction industry, there is an increasing number of mothballed or incomplete property developments across London. There are large numbers of unsold properties. There are also large numbers of stalled schemes, and it is unclear what will happen to them.

In this crisis—it is a crisis—I appeal to the Government to do a number of things. I appeal to them to change the regulations on the construction of private developments throughout the country, so that they meet the same standards as those that are required in the building of housing association properties. It is bizarre that, even if housing associations or councils have the money to buy up many of the unsold private places, they do not have the necessary room sizes and do not meet the energy standards—they are just not good enough. That is not right, and we need to do something about it. Surely, it is within the purview of the Government to do that.

I appeal to the Government to recognise that the social housing crisis can be dealt with only by accepting that the building of council housing or housing association property is an end in itself. It is not an add-on to what the private sector does. After the war, in the 1940s, '50s and '60s, there was consensus between the two major

[Jeremy Corbyn]

parties that we had to build far more housing for people in desperate need. There was not a huge debate about that. The debate was more about numbers than about whether to build. Now, we are simply not building anything like enough properties.

I ask the Government to consider seriously the issue of repossessions. As I said at the beginning of my contribution, they should ensure that the banks operate a reasonable policy and do not repossess homes willy-nilly. They should take people into their confidence and go through the best way of keeping them in the property. When all else fails and a family are threatened with repossession, it makes a lot of sense if the local authority has the power and the resources to buy the property, so that it becomes part of the local authority's estate and the residents become the local authority's tenants. In that way, we avoid the trauma and cost of homelessness and increase the housing stock all at the same time. It makes a lot of sense to use the public sector as a way to protect people from what could be a disaster for them and to increase the potential for housing throughout London.

I hope that the Minister will talk to me about the stuff that I and, I am sure, many of my colleagues read in the papers yesterday. The suggestion was that some blue-skies thinking is going on in his Department and that we are about to end the idea of council tenancies for life. The suggestion was that some policy wonk is working away on the idea of an annual or five-yearly review of the means of council tenants and that, if they are thought to be doing okay, they can be moved out of council tenancy and told to go and fend for themselves. That would be complete anathema to many people, particularly in the Labour party, who believe in housing as a right. I hope that the Minister will assure me that some crazy policy wonk has just gone off message. Perhaps whoever that person is could go off job as well and find something else to do, rather than fiddling about like this. They should use their undoubted imaginative talents on increasing the size of the social rented sector, rather than reducing it, as they seem to be doing.

My last point concerns what we do in London as a whole. Every local authority faces a huge housing problem. There is now some degree of centralised government across London through the Greater London authority and the mayoralty. The previous Mayor, Ken Livingstone, ordered that 50 per cent. of all major developments should be affordable properties, of which, roughly speaking, one third should be socially rented, the difference being those properties that are part-rent, part-purchase. He had a target right across London.

Unfortunately, the new Mayor, Boris Johnson, has abandoned the London-wide target and is telling everyone that he will deal with the matter by negotiating with each borough. It is an interesting idea that the Mayor will turn up and negotiate with each borough. I look forward to the video of the meeting between the Mayor and, for example, the royal borough of Kensington and Chelsea, the city of Westminster, Barnet, Bromley or Richmond. I can just see him turning up and, in his hugely charismatic way, saying, "I think you should build a few more social houses." They will say no, and he will say, "Well, look, we'd like you to." "No." "Would you think about it?" "No." "Oh, okay then, shall we have some more coffee?" I just do not envisage a tough defence of the needs of the public sector and the poor coming from the current Mayor of London.

Mr. Field: The hon. Gentleman has made a caricature both of the city of Westminster, which I shall defend in a few moments, and of the Mayor, Boris Johnson, who is acutely aware that the targets of recent years under the previous incumbent of that post simply were not working. Let me give just one example that relates to the city of Westminster. The initial plan for the redevelopment around Victoria station involved, in effect, a section 106 agreement to allow £300 million of investment in Transport for London. Zero social housing would have been provided on that site, under the former Mayor. Because of the city of Westminster's representations, the new proposals going through from Land Securities will ensure that there is some social housing on the site. Although I do not necessarily disagree entirely with the hon. Gentleman's concern about cosy deals having taken place between mayors of particular parties and others in the past, it is also fair to say that that is something of a caricature that is not borne out by all cases.

Jeremy Corbyn: This is work in progress, because we have not yet had the result, so far as I know, of any of the fabled borough-wide meetings. Indeed, I am waiting with bated breath to find out when the meeting with Islington will take place. It keeps being postponed and, I understand, not by the local authority but by the Mayor. He is obviously a very busy man, despite the fact that he lives in Islington. Never mind. I am not asking for special treatment; I am just asking him to understand that there is an issue.

The hon. Member for Cities of London and Westminster (Mr. Field) has talked about the social housing developments around Victoria station. Good. How many are there? Where are they? How many more are there in other places? My point is that a London-wide target is essential. The Mayor does have a strategic role and strategic responsibility and should exercise that strategic role and strategic responsibility. Leaving it to negotiations with the boroughs will not achieve what he wants; it will achieve far fewer places.

Robert Neill (Bromley and Chislehurst) (Con): I will interrupt the hon. Gentleman only briefly, because I know that other hon. Members want to speak, but perhaps he will help me on this point. If the previous Mayor's rigid approach to the 50 per cent. figure was so desirable, why was it that, according to the figures that the hon. Gentleman cited at the beginning of his speech, he delivered only 34 per cent.?

Jeremy Corbyn: The 50 per cent. target was very desirable and I supported it, as I imagine many Members did. It was not achieved, because it relied far too much on large-site development, rather than small-site development, and there was a degree of opposition to it among developers, who claimed that they could not financially stack up particular developments. In my borough, for example, we have a system whereby anything above 10 units has to include a social proportion. That is fine. The problem is that most of the developments are very small. The number that come in at eight or nine

units to avoid the social requirement is miraculous. Alternatively, sites are broken up to avoid that social responsibility.

We need a Mayor who is tough, who will intervene and who will deliver social housing for the people of London; but on the evidence so far, I am not confident that Boris Johnson has that as his highest priority. He has also fiddled around with the division between rented and part-rent, part-purchase properties. In the inner-city areas, the part-rent, part-purchase, so-called affordable properties are not affordable to the majority of people who live locally. They are not affordable to the majority of people in housing stress. There are only one or two boroughs where that is not the case.

London faces a housing crisis—a crisis for people in rented accommodation, those in council accommodation, those who rent privately and those who are owner-occupiers and pay very high mortgages. We need Government intervention to ensure that we conquer that housing crisis and provide homes for rent, with security of tenure, for those who need them. We need intervention to do that. Leaving it to the market will make the situation worse and increase homelessness, poverty and the social disorder that comes from that. In his reply, I hope that the Minister will tell us that the Government will invest in homes and young people, to prevent people from ending up with poor-quality lives, because of the poor-quality property that they are expected to live in.

Hugh Bayley (in the Chair): I should like the wind-ups to begin at half-past 10. That leaves just under six minutes per person to allow all five colleagues who are standing to speak.

10.1 am

Mr. Lee Scott (Ilford, North) (Con): I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing the debate. In my speech, I shall tackle some general issues and then one specific issue.

Let me say first that we are in a crisis, which will get worse because of the problem of repossessions. In my advice bureau in Ilford, North, I have seen people who, 12 or 18 months ago, would never have expected to need to come to me for help with housing. Secondly, it is not necessarily helpful to try to blame anyone. I do not come at this subject from the angle of saying whether the last Mayor did well, or what the next Mayor is doing, because that is not relevant. My constituents are worried about what affects them today, here and now.

I believe that the banks have a role to play. In the past few weeks, constituents have told me that the banks' attitude toward people who can no longer meet their mortgage costs has been less than sympathetic. The Government have announced that they intend to do more to ensure that banks are more caring than they have been in the past. That is a vital step toward solving some of the crises that we might find ourselves in.

I am not sure what "affordable homes" mean in London. Incomes are declining—in the past few weeks, I have met constituents who have been asked to take a 25 or 30 per cent. drop in salary to maintain their job. They are doing that to stay in employment and I understand the reasoning behind it, but none the less, what was affordable a few months ago, is not affordable now. We need quality homes that people aspire to and are able to live in, whether that is achieved through the private sector or the public sector, through purchasing or renting.

The group I want to focus on comprises those families who are some of the most vulnerable in our community—families with children who have special needs. In the past few weeks, I have seen a rise in the number of families who have come to me because the husband, wife or partner is now out of work and they can no longer afford the mortgage. I have seen break-ups in marriages and, I am sorry to say, some attempted suicides. The effects on those vulnerable children are drastic, so I want particular emphasis to be given to helping some of those needy families.

The problem affects all sections of our community. It is not limited to those on low incomes: nowadays, everybody is affected. I will cite two cases—obviously without names—that have been brought to my attention during the last few weeks. One is the case of a husband and wife with two children; one child is high up on the autistic spectrum, and the other also has special needs requirements. The parents have been notified by one of our leading banks, which said that it would be sympathetic, that the family need to vacate their property and that a court case would be brought against them if they did not do so. The parents have missed three months' mortgage payments—that is all—and they asked for a mortgage holiday while they sought employment. That request was declined.

I am fairly confident that, if the case reaches court, the home will not be repossessed—certainly, what I heard in yesterday's statement from the Secretary of State for Communities and Local Government leads me to believe that that will not happen. However, it is wholly wrong to put the family in that position and to cause them that worry and stress when they are trying to look after their children. It is simply wrong. I am not convinced that the banks are listening.

The second case is more disturbing. I was contacted by a constituent who can no longer afford their home. That has been the case for nine to 10 months. That person contacted me and told me that they were so depressed that they wished to end their life. Fortunately, I was able to contact their general practitioner, who visited them and we were able to stop that person from doing anything silly. We were able to take an account of their problems. The situation was caused purely because they no longer had enough money. Their fuel and food bills have gone up—I know that we are seeing some fuel and food prices coming down, but they are still at almost record levels. It is unacceptable in 2008 that people feel they no longer wish to live because of the situation that they are in.

If I look at my own constituency, as the hon. Member for Islington, North said earlier, I see building projects that included affordable homes, which were started as long as a year ago, but on which no further work is being done. Workers have been pulled off because the developers, whoever they are, can no longer afford to pay the staff. They are concerned about selling the houses that they were planning to sell, and because of that, the building work has stopped. I urge the Government to try all possible ways to get that work recommenced, because if those houses go into the market, people will be able to rent them and get out of the problems that they are in.

[Mr. Lee Scott]

I will finish my contribution—you gave us six minutes, Mr. Bayley, and I am just coming up to that—by saying that it is vital that we try to allow people to stay in their own homes. However, we should not encourage the suggestion made in some radio advertisements, which state, "We can take your home off your hands in 24 hours, and you can rent it back from us and buy it back in years to come." The rents charged are exorbitant, verging on criminal, unacceptable, and must be stopped.

10.7 am

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing this important debate. No doubt some of the points that he made will be reinforced to a degree.

I have four key points to make. First, to state the obvious, the model of affordable house building and delivery, which has in recent years increased the supply of affordable housing—particularly in London under the former Mayor, but across the rest of the country as well—is broken. We must accept that and respond to it. It is broken as a consequence of the crisis that was imported from the American sub-prime market into our economy and because our affordable house delivery programme has been so heavily predicated on section 106 deals and the sales programme of shared-ownership properties.

My hon. Friend the Minister will be aware that in London alone, according to the G15 group of major housing associations, there are £1 billion-worth of unsold shared-ownership properties. Because those properties stand empty and unsold, a cash-flow crisis is created for social housing providers and registered social landlords, which makes it impossible for them to proceed with delivery beyond the current financial year.

We need a radical Government rethink, in both the very short term and the longer term, about how to get back on target for the affordable housing delivery programme. In my view, that should include the ability to buy on the open market. We also need a rethink of subsidy arrangements for the longer term. We cannot afford to allow the consequences of this financially led crisis to impact on those who are in most desperate need of satisfactory housing, whether the people on medium to low incomes who want to buy and are unable to, or the many hundreds of thousands of people who are trapped in desperate housing need. There is particular pressure on family-sized accommodation. Under the section 106 sales-led delivery programme, such accommodation has not been delivered for a great many years. That, of course, has impacted upon housing need.

Although we have seen welcome measures—I am sure that there will more—to inject liquidity into the home ownership market and to assist the restarting of first-time buying, the risk is that the needs of those in housing need will be overlooked. I thank my hon. Friend the Minister for coming to my constituency to meet homeless families in temporary accommodation and families in severely overcrowded accommodation. He has seen for himself the conditions they live in. The threat of the current situation—it was difficult enough before—is that there will be an even greater pincer movement on the availability of social housing, which will make their situation worse. Already, one London household in 10 is on the social housing waiting list. Overcrowding is rising in the United Kingdom, and 750,000 Londoners live in overcrowded accommodation.

Although the Government made a move this time last year to introduce new guidance on overcrowding and to put some money into research, it is important that momentum is stepped up on that front. The guidance needs to be issued, because we have two conflicting and incompatible systems of measurement for overcrowding. We need to drive ahead on the information and on measures to tackle overcrowding. That could include deconversions and extensions, which could go a considerable way to helping, as well as cash incentives.

We also need to recognise the needs of homeless households. I say again to my hon. Friend the Minister—I have a meeting with him soon, for which I am grateful—that it is absolutely unacceptable to treat homeless households as we do, shipping them out of areas where they have strong local connections. I have sent my hon. Friend information on two such households in my constituency this week. In one, a young mother with post-natal depression whose family has lived for 80 years in the Church street area, was sent to Barking and Dagenham. In the other, a young man who has lived for 27 years on the Lisson Green estate and who has three children in local schools, is commuting every day, as many families do.

I wish to make a couple of quick points. As my hon. Friend the Member for Islington, North said, the abolition of the borough delivery target threatens progress on affordable house delivery, which was just becoming significant. Westminster city council achieved 11 per cent. of its affordable housing delivery target over the last two years, which is completely unacceptable. However, I very much welcome the £36 million that the Housing Corporation has invested in delivery. The target became legally binding only recently, so it was too early to see its fruits. It is dangerous that it is being torn up.

Finally, my hon. Friend touched upon the article on short-term tenancies on the front page of *The Times* yesterday. I believe that the subject was investigated thoroughly in the Hills review. John Hills was specifically charged with considering that subject, and came up with no evidence to support such a proposal. Indeed, he stated that there were strong arguments against a system of review based on coercion, and that

"A threat to security of tenure…would be controversial, to say the least".

He said that that was so for a number of good reasons, including perverse incentives. I rely utterly on the wisdom and thoughtfulness of the new Housing Minister and of my hon. Friend the Minister here today to ensure that this ridiculous and fashionable dogma that has suddenly reared its head again is crushed, as it deserves to be.

10.14 am

Mr. John Randall (Uxbridge) (Con): I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing this debate. It is a pleasure to follow the hon. Member for Regent's Park and Kensington, North (Ms Buck), who has initiated similar debates previously.

Although the debate highlights the crisis that we all feel and see, it is slightly reassuring to hear that it affects boroughs other than our own. Week after week, we sit in our constituency surgeries hearing the tragic cases of people who cannot find housing. There is a great deal of frustration, which I am sure other hon. Members here today share. People come to us, seemingly as a last resort, but there is very little that we can do except speak to the housing authority and see whether anything further can be done.

The fact of the matter in most cases, as we have heard, is that no housing stock is available. As I have tried to explain to some of my constituents, it is not the borough's deliberate policy to stop people having a house. It simply does not have the stock. It is incredibly difficult to explain that, and I can understand why people's frustration often boils over. I would hate to work in a housing department—indeed, I pay tribute to those who do. We listen to such problems in our surgeries, but those working in housing departments listen daily—hourly—to people who are desperate to get a home.

The hon. Member for Islington, North rightly pointed out the problems for families. I know of similar cases; I am sure that we all do. The idea of the old-fashioned nuclear family—the married couple with two kids—has changed. We now see people marrying for the second time who have to bring up kids from a first marriage. I am dealing with a case at the moment of a family with teenage children who are unrelated and of different sexes, but who are expected to share the same room. I am sure that that is not allowed, but it has to happen or the family will have nowhere to live. That is unacceptable.

The London borough of Hillingdon, which covers my constituency, has another housing problem—again, one that will be found in other areas. Brunel university is located in the borough, so student housing has taken up a lot of the private rented sector. It has also pushed up prices. I spent some time at London university living in private rented housing, so I am not blameless, but it is something that must be considered.

The frustration of local people is that they want to see their kids getting a place of their own and making a start, but it is not possible. Another effect is completely overstated, but it has to be said. When people come to my surgeries—again, I am sure that similar things happen elsewhere—one of the first things they say is, "Yes, but we live near Heathrow." We know what that means: they think that asylum seekers will be pouring into the country and taking local homes. The facts do not back that up—it may be a small factor, but that is all. Unfortunately, in times of housing shortage, it is exactly such things that increase tension. It is something of which we must be aware.

We have not discussed this, because of the lack of time, but I think of older people, who often find themselves without suitable accommodation. We need more suitable accommodation for older people. I accept that some may not want to leave their present home, but if new homes are adapted and if they seem nice, they might be willing to move, thus freeing up accommodation for others.

We shall hear more about housing problems as a result of the current crisis. Things will become more and more difficult. My hon. Friend the Member for Ilford, North (Mr. Scott) spoke of a well known bank. What worries me is that many of the most vulnerable people go to mortgage lenders who not only charge incredible rates, but are ruthless when customers default. Such cases are difficult to deal with. We as MPs can talk to the banks and we might normally get a favourable response, but some of these mortgage companies are like the car clampers of the banking world: they take no interest in human misery.

Later today, we will be debating Heathrow. Given that the London borough of Hillingdon has an acute shortage of housing, it is incredible that the Government should be on the verge of giving the go-ahead to a scheme that would knock down 3,000 or 4,000 homes. No one knows exactly how many homes will go, but people who have lived in villages and communities for generations will be expected to find somewhere else to live. At present, there is nowhere else for them to go. I find that incredible. If only for that reason, we should not have the runway expansion at Heathrow.

This afternoon, if I am lucky enough to speak, I shall elaborate on my other reasons for taking that view, but we are talking this morning about housing provision. If we knock down 3,000 or 4,000 homes, it will make finding housing in west London even more impossible than it is now.

10.19 am

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): As my hon. Friend the Member for Islington, North (Jeremy Corbyn) and other speakers have said, there is a housing crisis in London—a crisis of temporary accommodation, of overcrowding and, above all, of affordability, which has not yet been resolved by the fall in house prices. An organisation with which many London Members will be familiar, London Citizens, conducted research on the housing affordability standard. It showed that for those on the London living wage, which is currently just below £8 an hour, the only type of affordable housing in London is social rented housing provided by council housing associations. That is the case for many of my constituents whether renting or buying in the private sector. Even many types of shared ownership housing are simply not affordable in London, which might not be the case for the rest of the country.

I look forward to hearing from the Minister what the Government's response to the London housing crisis will be. London Labour MPs are preoccupied with the Mayor's response and the steps that he and his advisers are taking, which are worsening the situation. We have heard about the abandoning of the 50 per cent. target. There is a myth that that target is difficult to achieve, but in its last three years of a Labour administration, Hammersmith and Fulham local authority achieved an 80 per cent. affordable housing target, split roughly 50:50 between intermediate and rented property, so although it might not be easy to achieve, it is possible.

The reason for abandoning that target has far more to do with London politics and the fact that the Mayor has surrounded himself with advisers from the right wing of the Conservative party, many of whom are from the old Porter regime or a younger generation of the same ilk. *[Interruption.]* It has its amusing side, but I am afraid that it is a serious matter for constituents.

The housing policy in my local authority area is to reduce the percentage of social housing—that is what the authority says it intends to do—despite the fact that

[Mr. Andy Slaughter]

that percentage is already below the inner-London average. To that end, it has three policies: the first is to build no new affordable homes; the second is to sell off existing affordable homes, and the third is to demolish existing estates.

I do not have time to discuss all the case studies that have been carried out, but I shall deal with one, because it is a good example of people being caught with their fingers in the till. A development in White City—the most deprived part of my constituency and the area with greatest housing need—was intended to provide 150 new homes, half of which would have been affordable, but when the Conservatives took over the administration of the council two years ago, they put that development on hold. They waited until the change of mayoralty, so that there would be no block imposed, and at that stage removed all rented affordable homes from the scheme. Effectively, the authority removed all the affordable homes, given that income levels of £30,000, £40,000 or £60,000 a year are needed to afford even the very few shared-ownership units on that development. The £12 million that the Housing Corporation provided to subsidise the affordable homes was sent back as not wanted.

Ironically, the Greater London authority's own officers objected and said that

"a zero social rented development in this case would be a disproportionate approach".

The Conservative-controlled committee ignored that and said that it would speak directly to the Mayor, which it did. Lo and behold, a week later the decision was reversed, meaning that there will be no affordable rented homes on that or any other sites developed in the borough. Other Conservative councils in London are seeking to follow that precedent.

In Fulham is the Imperial Wharf development, where permission for 241 affordable homes, including 191 affordable rented homes, was withdrawn from the developer, because they were not wanted. Very nearby is the Watermeadow Court development, which is to be demolished with the loss of 80 affordable homes. Obviously, the tenants will have to be rehoused; the opportunity cost of that is that doing so may use accommodation that would otherwise have gone to people in overcrowded accommodation or on the housing waiting list.

In addition, 60 good-quality units intended for homeless families have been sold off at market rates to produce capital receipts. Those families will either jump the housing queue or enter private rented accommodation, which will result in an extremely large bill for the taxpayer. Furthermore, plans are on the table to demolish up to seven, or part of seven, estates in the borough.

This problem will be cured only by Government intervention, which appears to be more fashionable these days than it has been in recent times. The implications of the policies in London that I have outlined are appalling for my constituents.

Ms Buck: Does my hon. Friend agree that part of the response to some of these problems has been to expect those boroughs not in the heart of London or in the greatest housing to take the strain by providing more housing through sub-regional partnerships and by enabling people to apply for housing outside their own area? Does he also agree that that system has not worked, because many outer-London boroughs, such as Barnet and Croydon, have not provided housing or participated in the sub-regional partnerships? They have failed to take the strain off some of those inner-London authorities.

Mr. Slaughter: As always, I am very grateful to my hon. Friend for her intervention. There are two points there: first, people have a right—a human right, I believe—to continue to live where their families grew up, whether in central London or elsewhere. We have a duty to provide affordable housing in those areas. Secondly, clearly there is no willingness to do that. Families are being told to move out of the borough, and the council is actually boasting about the length of time that people will be on the waiting list—12 years before people will even be considered for a property. Homeless families turning up to the town hall are made to wait outside in the cold for several hours before being seen. However, as she said, when they are palmed off to outer London, there is clearly no willingness to accommodate there. This crisis has been caused not just by the economic circumstances, but by political intervention. Only Government intervention will resolve that.

Hugh Bayley (in the Chair): It is only reasonable to give you six minutes, Mr. Field, but you will try our patience if you go on any longer.

10.26 am

Mr. Mark Field (Cities of London and Westminster) (Con): Thank you very much for your guidance, Mr. Bayley.

I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing this very important debate and on sharing with us his heartfelt thoughts. Twenty years ago last month, I moved to his constituency. As is my wont, I recently walked around that area—Birnam road, just off Tollington park—and judging by the new development on the Durham road estate, things have been spruced up. However, that is not to take away from what he was saying. I am sure that there are some major problems within those estates.

Housing has been an issue close to the heart of London Members since the Great Reform Act. I am reading a quite fantastic book, which all Londoners should read: Jerry White's "London in the Nineteenth Century", which deals with housing crises back when London did not extend much beyond the boundaries of my constituency, and perhaps that of the hon. Member for Regent's Park and Kensington, North (Ms Buck). It discusses the problems of the rookeries and the slum clearances. Back then, housing was a major issue. The hon. Gentleman rightly pointed out that, in the aftermath of the second world war, and in the 1950s and 1960s, there was a united front politically in providing more housing in the capital. Although there are some disagreements—I am sorry about the tone of the comments of the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter), who is not in favour of the work of the Conservative-run Hammersmith and Fulham council—there is much broad agreement on some of the concerns that we all share.

I receive a huge postbag of letters from constituents on many subjects. After immigration and the antics of parking regulators in Westminster city council, housing

is the third most commonly raised subject. Many poor working families in Westminster have lived there for generations, but are regarded as not being poor enough to qualify for council or other social housing. The waiting lists in inner London—I am sure that this applies equally to Islington, Westminster and Hammersmith and Fulham—are mind-boggling. The area has become over-polarised. One must be unfeasibly rich or unfeasibly poor to live in so much of central London. That has been a perennial problem in the centre, but it is now extending to much of the capital.

I do not want to say too much about *The Times* article yesterday. I have some sympathy perhaps with what the Government are trying to do. The notion of a secure tenancy for life that can be passed on down generations seems very much at odds with London mobility and diversity—the idea that those in the public sector would have security, but those in the private sector would not. However, that will be further explored in times to come.

Last month, I met representatives of the G15—a group of London's largest housing associations, which house one in 10 Londoners, or some 700,000 people, and manage more than 400,000 homes. The group develops most of London's new affordable housing each year, and aims to create balanced and sustainable communities. It offers a range of homes to ensure that estates do not concentrate poverty, but contain a vibrant mix of people and incomes.

The lack of capital liquidity to fund new housing schemes, the collapse in the financial viability of house builders and an acute lack of mortgage finance for those buying new homes are starting to cause real problems for London's housing providers. Although affordable housing production is progressing, it centres only on schemes that were either in progress when the crunch arrived or could not be stopped. That will mean a reasonable number of completions this year, but a collapse in the programme next year and, conceivably, no programme at all in 2010-11 unless there is an engineered flow of mortgages for first-time buyers.

I will not say very much more. I hope that the Minister will tell us what will be done about the gap that I mentioned. There is a risk of us being complacent today because work is going on, but the effect of the credit crunch will have a major impact in three or four years' time unless action is taken now to put some of the work in train. It is fair to say that many housing associations are building homes for all sections of the housing market, from social rented and shared-ownership homes to the intermediate market rent and market sales. As all hon. Members will agree, we need to maintain that broad mix in London's communities. As well as offering homes for the poorest in society, we also need to provide better options for the people who are too rich to be able to rent socially, but too poor to buy in the market. That middle group has become ever larger in the communities that we represent. We want to have cohesive communities in which people do not feel the need, or desire, to move away from places in which they have lived and worked for some decades.

I have overstepped my time, but thank you, Mr. Bayley, for allowing me to make my contribution. I know that it is a very important subject to which all of us will return before too long.

10.32 am

Sarah Teather (Brent, East) (LD): I apologise for the state of my voice. I have a very bad cold, so I hope that you can hear me, Mr. Bayley.

I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing this important debate. The hon. Member for Cities of London and Westminster (Mr. Field) described housing supply and lack of housing provision as an issue that is dear to the heart of every London MP. That is very true. As a fellow London MP, it is certainly an issue that is dear to my heart. Lack of housing, poor, overcrowded, unaffordable and unsuitable housing have all been mentioned today, and they are among the key issues brought to my own office every week. Like the hon. Member for Islington, North I hear the same stories week after week. We hear similar stories about how poor housing causes misery, breaks marriages, ruins health, destroys education and, most importantly, extinguishes hope for many families in London.

Up to 50,000 children are stuck in temporary accommodation in London. In my constituency, that represents one in 10 of Brent's children. The continual moves and the unsuitable housing affects their ability to thrive at school. Just as they settle in one school, they are moved on somewhere else. If that temporary accommodation is also overcrowded, there is no way that they can do their homework. That point has been made by many hon. Members today.

More than 300,000 people are stuck on waiting lists for social housing in London, and 20,000 of those are in Brent, many of them in my constituency. That is an issue of both lack of supply and extreme demand. Falling house prices will not necessarily help the matter. As mortgages become less affordable, we expect a knock-on effect on the affordability of renting as well.

Many hon. Members mentioned cases from their own constituencies. I want to mention a couple from mine. Mr. H. has been on the housing list since 1984. He is in band C, so he is classed as someone in housing need. He is disabled and unable to work. He is single, but he has children who do not live with him. He cannot get a property because he is a single man, which means he cannot get proper access to his children. Mr. H. has been left on the housing list under four different Prime Ministers and still has little chance of finding a home.

Miss G. was registered for re-housing 11 years ago. She was in band C but, after representations from our office, she was upgraded to band B two years ago. She is in a two-bedroom property with four children, all of whom share a bedroom. Her son suffers from autism and learning difficulties. He has to share with his sisters, which has affected all of them.

The hon. Member for Islington, North described other such heart-rending stories. The hon. Member for Uxbridge (Mr. Randall) spoke about how often such stories tip over into racial tension. Housing is one of the few issues in my constituency—an area of probably unqualified tolerance—that will bring tension about immigration to the fore, which is why I hope the Government will now accord greater priority to the matter.

Like other hon. Members, I was very anxious about the ideas that were floated in *The Times* yesterday. We need to find new and innovative ways to deal with the

[Sarah Teather]

lack of housing. We already have a situation in which a person has to have a severe physical and/or mental health problem—probably a drug problem—and probably also has to be a single mother to have any chance of social housing. It is hard to see how the situation can be improved if such people are threatened with eviction if they fail to look hard enough for a job, and also if they get a job and their circumstances change.

The Government must tackle the supply issue. I hope they will consider using the current downturn to take advantage of falling land prices to buy up land and properties, where appropriate. They will have to lift registered social landlords' borrowing limits and extend that flexibility to local authorities. We have that opportunity, and we should not let it go by. We can deal not just with the current crisis, but with the long term.

The Government must be more flexible with their house-building targets. As the hon. Member for Regent's Park and Kensington, North (Ms Buck) mentioned, we have to accept that funding schemes through sales programmes will cause problems at the moment. I hope the Government will bring forward that subsidy and allow RSLs to fund their own building programmes through a greater proportion of subsidy rather than relying on private sales, otherwise we will end up with no build at all, which will mean that the Government miss their housing targets.

We must have a coherent programme to tackle the issue of empty properties. A number of hon. Members mentioned partially built properties. Developments that are not completed often lie empty. I said that RSLs should be able to buy up some of those properties. However, as the hon. Member for Islington, North mentioned, that will not always be appropriate because such buildings will not necessarily be of suitable size to meet the long-term needs of social tenants.

The Government could make better use of their own scheme, the empty dwellings management orders, to ensure that such buildings are put back into use for private rent. Moreover, I hope they will consider more short-term rent options. Other options exist in other countries in which property is brought into use on a short-term basis. We must be innovative when we consider this issue. It is no good for town centres to have many properties lying empty and available for squatters to inhabit when we have tens of thousands of people in the same area waiting on the housing list for more property.

On repossessions, it is vital that we do whatever we can to keep people in their homes. It will be a disaster not just for those individuals who lose their homes but for local authorities, because they will have to deal with even more people who are desperate for housing at a time when the system is creaking at the seams.

I have concerns about the pre-action protocol that the Government have announced. There is considerable doubt that the courts will enforce much of what is in the protocol. Instead, I hope the Government will consider amending the Banking Bill, which is going through Parliament at present, to put some of those things into law.

Housing is a vital issue that affects all of us here today regardless of our party. The Government have made a number of announcements recently to tackle the problem. Unfortunately, when we go through the detail, we find that there is not a great deal of action. I hope that that will change and that the Government will accord greater priority to the matter.

10.39 am

Robert Neill (Bromley and Chislehurst) (Con): I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing this important debate. His was a thoughtful speech. I do not agree with all of his analysis, but we have a good deal in common, which highlights how the issue affects all London Members of Parliament. All Members who have contributed to the debate have added aspects of their experience and perspective in dealing with it. It seems to me that everyone agrees that there is a serious problem. In tackling it, I hope that the Government will remember that what is important is what works, rather than what might seem rigidly or dogmatically attractive.

That is why I take a different view from some Government Members of the approach adopted by the current Mayor. I do not doubt the good intentions of the previous Mayor, with his 50 per cent. target, but the reality is that its rigid application did not work in practice. It delivered only about 34 per cent. affordable housing. That is why the current Mayor is right to adopt a more flexible approach. If we are to deliver more housing, as we all want to, it will certainly require the Mayor to use his housing powers vigorously—I do not dispute that for a second—but it will also require him to use those powers collaboratively with the London boroughs and the development industry.

I hope that the Government will be wary of responding to our current difficulties by falling into over-reliance on too rigid a form of intervention or regulation. Over-regulation in dealing with supply-side issues can sometimes have a perverse consequence, rather than helping. We must be flexible and pragmatic in our approach.

Mr. Slaughter: That is all very well, but if a local authority says as official policy that there are too many socially rented houses in the area, what should a mayor who says that he wants to build socially rented homes do about it?

Robert Neill: I suspect that a mayor might say that he will discuss it with that local authority in the same way that he would with the Labour mayor of the London borough of Newham, who has also argued strongly that significantly more privately owned housing is needed in his borough to create a more mixed community. The hon. Gentleman's intervention highlights the danger of a rigid, one-size-fits-all approach. Newham in east London, like a number of inner-city boroughs, needs proportionately more privately owned accommodation to provide mixed communities; other boroughs have different needs.

Ms Buck *rose—*

Robert Neill: Time is short, so I will take just one further intervention.

Ms Buck: I thank the hon. Gentleman. Is that not exactly the point? The more deprived boroughs are seeking a social mix through more privately owned accommodation. It is therefore essential that places

such as Hammersmith, Westminster, Barnet and Croydon take a larger proportion of social housing, or we will end up with nothing.

Robert Neill: The hon. Lady forgets that the rigid application of the Mayor's 50 per cent. target led, in many well-documented instances, to sites being mothballed rather than brought on stream, and 50 per cent. of a mothballed site is nothing. Such measures do not achieve their objectives. I shall return to that point.

We also need to tackle the other perverse situations that have arisen due to the planning system. The London borough of Barnet, for example, has identified Colindale as an area where it would very much like to introduce housing regeneration, but a number of outer London boroughs suffer from the local government finance system: perversely, because they are on the floor, they get no benefit from any enhanced tax base gained through new housing development. Very often, the formula works to their detriment in such a way that they do not get the funding that they require for services for the extra population. The issue must be tackled at source.

We need to recognise that housing policy in the long term must address aspiration. Back in 2000, the London assembly produced a cross-party report demonstrating that 77 per cent. of key public sector workers in London aspired to buy. They will struggle to do so on current wages, but we certainly ought to help them achieve that aspiration, rather than blocking it. That is why the development of a healthy intermediate sector in London is all the more important.

A number of my hon. Friends, particularly the hon. Member for Cities of London and Westminster (Mr. Field), referred to the key issue of those who are working, economically active and key to our city's well-being, but who will never qualify for social rented accommodation. I hope that the Mayor's housing strategy, which I gather is due to be published later this month for consultation, will address that need. London probably needs a greater percentage of intermediate, more flexible and more imaginative schemes to meet its housing need, and the Mayor seems willing to address that.

When we consider the disincentives, we also need to consider how planning rules have tended to work in the past. There is an issue about affordable family homes in both the intermediate and the social rented sectors. One problem is how density is calculated. It is often calculated on the basis of units rather than habitable rooms per hectare, so it is easy to meet the requirement by building a large number of flatted units rather than family homes. The new Mayor is alert to that perverse incentive, which needs to be dealt with.

The Mayor has set an overall objective of building some 50,000 affordable homes, which seems eminently deliverable. It is calculated consistently with the basis for the local area agreements, and the Government are therefore more likely to buy in. I think that the Mayor, as chairman of the London board of the Homes and Communities Agency, will use his £5 billion housing budget imaginatively.

Finally—I know that the Minister will want to respond—I hope that we can tackle the issue of repossession. My hon. Friend the Member for Ilford, North (Mr. Scott) referred to instances of it in his constituency; I have had the same experience in mine, in outer London. I recently visited Bromley county court, which is the third busiest in London. The judges there made it clear to me that they do their level best not to make possession orders but to suspend where the person is making an effort to pay, but the problem that they have found is that people often do not come to court or take advice early enough in the process and are sucked too far into debt by the time that they come before the court. That is why it is hugely important that changes in the legal aid scheme do not have the perverse consequence of reducing the amount of affordable legal advice available in high street solicitors' firms and citizens advice bureaux. It is important to recognise that. There is good will on the part of the judiciary, but we need to help people prevent the problem from arising in the first place.

I hope that the partnerships with the boroughs will develop things such as aspiration under the first steps programme and by using some of the interesting models developed by organisations such as the Notting Hill Housing Trust, which has shown much more imagination in getting people into the intermediate market. We also need to make much more use of existing stock. I understand that the Mayor expects that a significant percentage of new housing will come through non-new build—making better use of existing stock—and that he will set a target that only 1 per cent. of London's housing should be empty. That is a brave and challenging target, and it gives the lie to the idea that the Mayor is not willing to step up to the issue.

When the Mayor came into office, he discovered that Transport for London owned houses near the north circular, 87 per cent. of which were empty. That is not much of a record for the previous mayoral regime. The current Mayor has been unfairly criticised. The reality is that we will only tackle the problem if the Mayor and London boroughs of all parties work together to deliver products appropriate for London's particular housing needs, which involve unique pressures and problems. I hope that the Government will continue to give London the flexibility to tackle those problems in a way that meets its specific needs.

10.48 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It is a pleasure to serve under your chairmanship, Mr. Bayley. I think that I am the only non-London Member here. It is always a pleasure to discuss housing issues here because of the high quality of debate.

I congratulate my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing this important debate. He tackled the issue extraordinarily well in his usual articulate, eloquent and passionate style. One thing that he reinforced for me was that housing is not just about housing: it is about life chances. It is about giving children somewhere to do their homework, so that they can increase their educational qualifications. It is about having a well-ventilated and heated home, to reduce the risk of asthma and other respiratory diseases. It is about ensuring that people have a place to play in decent recreational and sporting facilities in their community. Good housing increases and improves life chances. Conversely, bad housing increases people's stress levels and reduces aspiration and ambition.

Before I go on, I just want to congratulate the hon. Member for Brent, East (Sarah Teather) on her new post; I also hope that she feels better soon. I think that

[Mr. Iain Wright]

this is the first time that I have discussed housing matters with her. She may be interested to hear that the reason why I came in panting and out of breath was that I had just had a meeting with the Brent private tenants' rights group about preventing homelessness among private rented sector tenants. It was an extremely important meeting about what we can do to improve quality in the private rented sector, alongside the Julie Rugg review. I am very keen to move forward and address some of the suggestions that emerged from the meeting.

We last examined housing back in April, when my hon. Friend the Member for Regent's Park and Kensington, North (Ms Buck) secured a debate on housing needs in the capital. Since April, things have moved on enormously. We have seen a new London Mayor elected and also an international economic downturn, the likes of which, as the Prime Minister has said in the House, we have not seen since the first world war. I have also had the opportunity to visit my hon. Friend's constituency to see some of the issues that she has to tackle as part of her constituency case load, particularly with regard to overcrowding and the need to secure family accommodation. I was very grateful for the opportunity to make that visit, because it opened my eyes about what is needed in the capital.

We have addressed a range of issues today, but overall the debate reinforces the message that increasing housing supply is vital. It will not be a magic wand or some sort of panacea that will solve every housing problem. However, by increasing the supply of housing in the capital, we can tackle some of the acute problems that we face.

We need to increase the supply of housing because, despite the short-term financial turbulence, London remains a growing and successful world city—arguably the best city in the world. The London plan estimates that London's population could grow to 8 million or more by 2016, with between 27,000 and 36,000 additional households a year before then. Indeed, London's population could be as high as 8.7 million people by 2026. So we need to think about the needs of all Londoners—a point made by the hon. Member for Cities of London and Westminster (Mr. Field)—and to maintain a good supply of homes for rent and sale, both affordable and market homes, to meet the wide-ranging and diverse demands of our city.

My hon. Friend the Member for Islington, North was very articulate about the fact that we are changing how we live. Families do not have the 2.2 children in a house that there used to be in previous generations, and people are living longer and their ambitions and aspirations are increasing. Housing tenure and housing stock must reflect those changing social and demographic factors.

I was really struck by the point that my hon. Friend made in his opening address that average house prices in London, despite short-term falls in the last few months, are 14 times the average salary of Londoners. That is the statistic that will stay with me from the debate, and it represents a problem that we need to tackle by improving and increasing the supply of housing and its affordability.

The average house price in London remains £340,000, so buying a house remains a problem even for those households on reasonable salaries. Despite recent progress, there are still almost 54,000 households in temporary accommodation in the capital—70 per cent. of the national total.

I said that we need to increase the supply of homes in the capital, and we have been building more homes in London in recent years. In 2006-07, more than 31,000 homes were built. However, the Greater London authority estimates that London will require an additional 353,000 new homes in the next 10 years to meet the backlog that hon. Members have mentioned today and to address future demand.

Several hon. Members have mentioned the strategic housing role of the Mayor of London. I do not want to make party political points; I think that housing is far too important an issue for that. Given London's housing needs and its world-class position, it is important that the Mayor has a strong, strategic housing role. That is why, as well as preparing the strategic development strategy for the capital, we gave the Mayor responsibility for producing a statutory housing strategy and for advising Ministers on the allocation of housing investment in London from the regional housing pot, which will amount to about £4 billion in the next few years.

Since the Mayor was elected in May, however, I must say that it has not been clear how he intends to fulfil that role and help to meet the housing needs of Londoners. As I say, I do not want to make petty party political points, but politics is about priorities. I want the Mayor to do well and to address the housing delivery problem in London, but it does not seem to be a priority for him whatsoever. His housing policy seems blurred and confused, and well down his list of priorities. I have no clear idea about how he intends to meet the commitment on housing delivery.

The Mayor's direction of travel document on the London plan, which is entitled "Planning for a better London", says that he will work with boroughs—something that was requested by hon. Members this morning—to identify ways to improve the supply of housing and to ensure a supportive planning policy framework for delivery. Although I appreciate that changing the London plan is a matter for the Mayor, it would be incredibly helpful for all concerned—whether central Government or local boroughs—to have clarity on the process of alteration and review as soon as possible. Without a clear steer, both boroughs and developers are unsure about what housing requirements they should meet, and the resulting delays will not help the families that the hon. Members here today represent so well.

I must also say that the Mayor is sending out some very confused messages on affordable housing. It has been said many times this morning that he intends to remove the strategic target in the current London plan to deliver 50 per cent. affordable housing. That would also require an amendment to the London plan. At the same time, he says that he intends to work with London boroughs to deliver 50,000 additional homes by 2011, thus continuing a commitment made by the previous Mayor.

I understand that the new Mayor has already begun the process of negotiating annual affordable housing targets with each borough for the next three years, up to 2011. However, that approach is time-consuming, cumbersome and, in the end, results in delays that families in London can ill afford. It is very important that all London boroughs step up to the plate and do

their best to achieve those targets, to help to meet the needs of all Londoners. However, it is very clear from my perspective that the boroughs are bemused and confused about the planning targets for affordable housing. So I await with interest the Mayor's proposals on how he intends to set those targets for the whole of the 20-year London plan period.

The hon. Member for Bromley and Chislehurst (Robert Neill) said that the Mayor intends to consult the London assembly later this month on his draft housing strategy. I very much look forward to seeing that important document and the detail about how the Mayor proposes to address London's housing needs for the longer term.

A great number of important issues were mentioned in today's debate. Unfortunately, I will not have the time to discuss all of them. However, one of the clear themes that emerged is the concern that hon. Members from all parts of the House have about the rise in repossessions in recent weeks and months. As has been articulated by my hon. Friend the Member for Islington, North and others, current housing market difficulties mean that some householders are struggling to meet their housing costs.

Although the number of households affected by repossession is thankfully still very low, for those people whose homes are being repossessed, it is a major life trauma that creates real stress. We are determined to help people who face those very disturbing circumstances. We are committed to working with lenders and advice agencies to help people to face repossession so that, wherever possible, they can remain in their homes.

Hon. Members will be aware that, in September, we announced a £200 million mortgage rescue scheme, which will help up to 6,000 of the most vulnerable home owners facing repossession to remain in their homes. We are currently working hard with delivery partners to ensure that the Government's mortgage rescue scheme is open for business as soon as possible. When my right hon. Friend the Minister for Housing came to her post about a month ago, she was struck by the fact that the mortgage rescue scheme was set to open in January; she wants to bring the opening date forward as quickly as possible, and I commend her for that.

The mortgage rescue scheme will be firmly targeted on families with dependent children, the elderly and vulnerable groups who can no longer afford their repayments and who would be eligible for homelessness assistance if their homes were repossessed. My officials have also been holding a series of mortgage repossession summits for local authorities around the country, to discuss the regional position and to consult people on how the mortgage rescue scheme will work. I understand that the London summit will take place this Thursday, and we hope that officials will be back in the capital at the end of the month to host a delivery briefing, to outline how the scheme could operate.

I would also stress that lenders are examining further options to assist households that are due to experience payment shocks and concerns in the coming months, and we continue to work closely with the Council of Mortgage Lenders and other partners to achieve that aim. The Government, particularly my right hon. Friend the Chief Secretary to the Treasury, have been talking very forcefully to lenders about this issue and encouraging them to ensure that they do not go straight to repossessions and that other measures are put in place; the same aim was behind the interest rate cut last week.

I am very conscious of time. It has been an excellent debate that, unfortunately, we will need to have time and again. However, I hope that I have demonstrated that the Government are committed to improving housing supply.

11 am

Hugh Bayley (in the Chair): Order. I invite colleagues to join me in observing the two-minute silence.

A two-minute silence was observed.

Assisted Dying

11.2 am

Hugh Bayley (in the Chair): Thank you. Before I call Dr. Evan Harris to open the debate, I should inform the Chamber that he has requested that Mr. Speaker exercise his discretion to waive the House's sub judice rule to enable reference to be made to the case of Miss Debbie Purdy, which is currently under appeal. The Speaker is willing to exercise his discretion to enable reference to be made to the Purdy case for the purpose of discussing the principles that it raises. Members should not, however, discuss the details of the case.

A large number of hon. Members are present, some of whom have written in. I shall try to strike a balance between the parties and between points of view. If colleagues seek to catch my eye and have not already written in, they might like to send me a note briefly explaining their point of view.

11.3 am

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Thank you for that statement, Mr. Bayley. It is a pleasure to have you in the Chair.

Many hon. Members wish to speak. I intend to take 10 minutes, but if there are interventions, which I am willing to take, that will lengthen my time a little. However, I shall try to curtail my remarks. This is the first time in 10 years that the issue has been debated, but I do not intend to cover everything that could be said on it. The subject raises strong feelings on both sides of the House, across parties, in the media and among the public, and it is only right that Parliament should debate it and be seen to debate it.

It is right that the legislature should be seen to keep such things under consideration, and I hope that there can be a review—more active consideration than mere debate—and that the House will be allowed to come to a view on the matter at some point, as it is unlikely to be easily subject to manifesto commitments or party Whips.

I want to make it clear that although I have been an elected member of the British Medical Association medical ethics committee for many years, I am not speaking on its behalf. I am grateful to Dignity in Dying for its briefing material.

David Taylor (North-West Leicestershire) (Lab/Co-op): No doubt the hon. Gentleman would care to clarify that the majority of doctors were, when last asked, opposed to the legalisation of assisted suicide. All the medical royal colleges and the BMA have declared their opposition to it after extensive consultation with their members. He has rightly declared his connections, but will he acknowledge that he is probably in the minority of clinicians in the views that he holds?

Dr. Harris: I have never been of the view that what doctors say goes, and I do not believe that I am in a minority. If the question is asked fairly and properly, it is far from clear that there is not majority support in the medical profession for giving people autonomy, with safeguards, of course, over end-of-life decisions. The benign conspiracy in which many doctors sometimes participate for paternalistic reasons is, in this case, far worse than making clear arrangements, with safeguards, to enable patients to have more autonomy.

This morning, we heard about the very sad case of a 13-year-old girl who says that she wishes to die with dignity at home. There is a life-preserving operation with a good chance of success that she could have, and, as far as we know, she is not in pain or suffering. Doctors say that if she had that treatment she would not be liable to die very soon. Even in that difficult case and even though she is not strictly terminally ill or in unbearable pain and suffering, she has been allowed autonomy over that decision. She is entitled to do that at the age of 13, and the situation is even more clear-cut for adults. They can refuse treatment when not terminally ill, when not in pain and suffering and when that refusal will cause their death.

If someone wishes to be actively helped to die, they cannot get that help in this country under the law, even when there is no doubt about their capacity. That is true even when it has been checked that there has been no coercion, when they are terminally ill and when they are suffering. They might not be suffering from pain, with modern palliative care, but they might still be suffering unbearably, in their view. The difference between the treatment of those two cases, when the outcome is the same, is so extreme that it cannot be justified.

Mr. Andrew Smith (Oxford, East) (Lab): I am grateful to my neighbour from Oxford for giving way. I am sure that we can all understand the sensitivity of the case to which he has referred, but does he not accept, as I think most of the public do, that there is an important difference between not intervening artificially to prolong life and actively intervening to shorten it?

Dr. Harris: Of course I accept that there is a difference, but it is not so great that autonomy should be taken away completely in one situation and respected absolutely in the other. The end result is the same, and the wish is the same; it is only the activity or passivity that is different. It is not right that we should defend forcing someone to be kept alive against their will simply on the basis that assisted dying involves an act—their own act, in most cases—rather than simple refusal. I do recognise that there is a difference though.

On the current law, the Suicide Act dates from 1961, and is in need of revision. Assisting someone to die is punishable by a maximum penalty of 14 years' imprisonment, but such a punishment would be inappropriate in the sort of case that we are discussing. We all know of examples of people who are seeking help to die, and that is different from assisted suicide. The hon. Member for Bridgend (Mrs. Moon), who is present, knows that we are not talking about assisted suicide. Assisted dying is for people who want to live, not for people who want to die, as with assisted suicide. I have no difficulty with the current law criminalising assisted suicide when people are suicidal and are helped through websites or indirectly. I hope that she will have the chance to acknowledge that point later.

In the case of Debbie Purdy, although the court recognised the argument that the current situation was unsatisfactory, it specified that it was for Parliament to change the position. Parliament should examine the 1961 Act. It is not the case that the law ain't broke, so we shouldn't fix it. We cannot say that, and I shall give examples of the negative consequences when terminally ill people are forced to look for alternatives to exercise control over the manner and timing of their death when they feel that their suffering has become unbearable.

Figures suggest that 16 British citizens travel to Dignitas each year. The Home Office has identified about four cases of so-called mercy killings each year, which is probably a small fraction of the real number, as they often never reach the courts. Each year, a number of terminally ill people resort in desperation to violent and often botched suicides, and a number of people find that they have to refuse food and water to exercise control over their time and manner of death. They use their ability to refuse treatment because the fairest and most humane way of exercising control is not available to them. More than 900 people a year receive assistance in dying from their doctor, on their explicit request. They are forced to get illegal assistance to die, and the consequences of that can be severe not only on the manner of their dying but on those who seek to help them.

Dr. Julian Lewis (New Forest, East) (Con): Will the hon. Gentleman tell us how many people who have assisted others to commit suicide have actually suffered a term of imprisonment, suspended or otherwise?

Dr. Harris: Did the hon. Gentleman say "assisted suicide" or "assisted death"? I assume that he is talking about assisted dying.

Dr. Lewis: If the hon. Gentleman wishes to quibble about the point, I am speaking in the context of what he is discussing. Will he answer my substantive question? How many people who assisted that which he wants them to be able to assist without consequence suffered a term of imprisonment, either actual or suspended?

Dr. Harris: I do not know the answer to that question, but—

Dr. Lewis: I suspect that it is zero.

Dr. Harris: But I do not know whether the hon. Gentleman is happy that people are doing that and not being imprisoned, or whether he thinks that it is bad that people are not being punished for what is strictly an offence. Not knowing whether they are liable to be prosecuted and imprisoned is a traumatic experience for many, particularly the recently bereaved.

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): I can give the Chamber the opportunity to hear the answer to the question asked by the hon. Member for New Forest, East (Dr. Lewis), which is zero.

Dr. Harris: The Minister must be asked the same question, then. Is it a good thing that people are apparently breaking the law but not being imprisoned, and perhaps not even prosecuted? Either way, we ought to have a law that says what it means and means what it says, rather than making people feel that they have to take a chance. Some think that they cannot take that chance, so they are unable to give or receive assistance.

There is not a choice between palliative care and assisted dying. Everyone recognises that palliative care is an important part of end-of-life care, and the suggestions for legislation on assisted dying have included palliative care. However, it is a form of treatment, and at some point a person is entitled to say that they are fully palliated as far as medical and nursing care can provide for, and that they do not wish to have any further palliation as an alternative to a dignified death. It is not for us to impose on them our view that they must be satisfied with the palliative care that they get. In jurisdictions where there is assisted dying, there has been an increase in the provision of palliative care, and rightly so. In Oregon there is no perceived conflict between the two.

I shall give some examples of the difficulties that people face in knowing what will happen to them if they assist someone with death. As we know, Dignitas helps people with incurable illnesses to die, and it regularly features in the British media. We understand that 650 British citizens are members of Dignitas, and more than 100 have travelled to Switzerland to have an assisted death since October 2002. I wish to mention the case of Reg Crew, who had motor neurone disease. His wife Win Crew and their daughter Jan Healey accompanied him to Dignitas when he died in January 2003. His wife Win has written:

> "Although I am a Roman Catholic, like many others in my position, when Reg said he wanted medical assistance to die, to avoid a long and painful death, I felt this was the right thing to do. I agreed with him that the disease should not rob him of the ability to choose the manner of his inevitable death…For several months after my return, I had the threat of legal action hanging over me but what alternative was there?"

The problem with the current state of the law for people in that situation is that they fear legal consequences for their loved ones on return to the UK. That is cruel. A lack of legal certainty about prosecuting those who accompany loved ones to Dignitas leads some terminally ill people to travel to Switzerland all by themselves, and as a consequence to go earlier than they would have liked. It forces people to make that decision while they are still able to make it themselves and do not need assistance. They are forced to die in a foreign country, away from familiar surroundings and in some cases without their loved ones.

The second example is mercy killing. Under current law, anyone who ends the life of another can be convicted of murder and receive a life sentence, even if the act is a compassionate response to a dying person's request for help to die—a so-called mercy killing. Despite the risk of a murder conviction, a number of people who resort to mercy killing regard it as the final act of love towards a loved one who is dying and requests help to die. Home Office records show that in the past 15 years, a total of 57 suspects in homicide cases could be described as being involved in mercy killings. Again, that probably represents a small fraction of the true number.

The impact of that is, again, very negative. There is obviously a risk of imprisonment, long drawn-out trials and public labelling. People who have committed an act of mercy killing often also suffer long-term effects on their mental health, which can lead to self-harm or even suicide. A Home Office report states that of the 57 suspects of the act of mercy killing, 21 have committed suicide.

With no clear policy in place, people may claim to have committed a mercy killing or assisted a suicide for compassionate reasons, when in fact their motives were more sinister or selfish. We do not have a law that provides safeguards. Mercy killing is clearly not the answer, nor is the status quo, so we have to recognise what is happening and consider what can be done to avoid the all-round negative consequences.

[Dr. Evan Harris]

Violent or botched suicides are another consequence of the current law. People take the act into their own hands and attempt suicide, which can lead to long drawn-out and painful deaths. It is impossible to calculate the number of such cases, but examples are known. My final example is Sue, who has said about her terminally ill father's attempt to commit suicide:

"My father had prostate cancer. At some point there was nothing more doctors could do. My Dad sadly experienced how the laws in this country operate. He threw himself down the stairs in an attempt to kill himself. It didn't work, but the doctor left him there as long as he could, waiting to see if he might die. This is how the law forces doctors to abandon their patients. My father was left at the bottom of the stairs for two hours with a cut on his head. Eventually he died a week later at home."

As a consequence of the law, people are sometimes forced to die a lonely death in the absence of their loved ones, out of fear of the legal consequences for anyone they ask to be present at the time of their death.

As it is illegal for anyone to help another person to die, some people choose to commit suicide while they are still able to do so. Again, that may mean that they die earlier than they would wish. Authorities in Oregon are aware of 94 terminally ill people who were prevented from committing violent suicide because the option of assisted dying was available to them, and 50 of them went on to die a natural death. I do not have time to go into the case of people who refuse food and water, but again it means a more protracted death than the painless one that is available through assisted dying.

Peter Bottomley (Worthing, West) (Con): The hon. Gentleman is helping the House and the country by talking about death in a way that is not embarrassed or afraid. Can he give the number of people in the Netherlands who have had death brought on early by request, and compare it with the overall suicide rate?

Dr. Harris: I think those figures are available and if the hon. Gentleman will allow me, I will try to come back to that later, because I do not have them to hand.

Finally, I want to say a word about doctors helping their patients to die and about the review of the murder laws. We know that there are occurrences of involuntary euthanasia, where doctors help patients to die without their wish, and of voluntary euthanasia, which is the patient's wish. I shall quote from a research paper by C. Seale, "National survey of end-of-life decisions made by UK medical practitioners", in *Palliative Medicine* 2006, volume 20. On pages 3 to 10 it shows that

"of all the deaths in the UK in 2004, 0.16 per cent. were cases of doctors ending life following an explicit request from the patient".

That means, in broad figures, that 936 deaths were a consequence of patients receiving assistance in dying from their doctor on their request. Such assistance is given outside any legal framework and without any safeguards. We know that assisted dying is taking place at the moment and it would be far better, as has been done in other jurisdictions, to put it on a legal footing, with whatever safeguards the House feels are appropriate. If people are worried about the protection of the vulnerable—I understand that concern—the answer is to have the safeguards in place. It is not a question of the principle of providing for autonomy.

I want to raise with the Minister the review of the law of murder. The Law Commission has recommended that the Government undertake a public consultation on whether the law should recognise either a defence or partial defence of mercy killing and if so, to what extent. So far, the Ministry of Justice and the Government have not taken up that recommendation. It would be appropriate for them to do so, given that it was made by the Law Commission and given that the Government have pursued other approaches in the review of the law of murder, including a new definition of diminished responsibility.

The new definition—that a person must have a recognised medical condition that substantially impairs their ability to make a rational judgment about the criminal act—seeks to achieve something separate in respect of attacks in domestic situations by people claiming provocation. I understand that and I am not arguing against it, but even that definition will have an impact on a partial defence being available in the case of mercy killing. It is not a case of doing nothing; the Government are already doing something that will have an impact, so it must be right for there to be an holistic approach.

Although there is more that I could say, including on the figures that have been requested, I invite the Minister to recognise in her summing up that there are many views in Parliament and that the Government and any political party will find it difficult to put the issue in a manifesto. I hope, therefore, that she will at least be open to the idea that we need to have a review, and that Parliament must, from time to time, since 1961, have the opportunity to debate this matter in a careful, clear and informed way.

Several hon. Members *rose—*

Hugh Bayley (in the Chair): Order. A great number of hon. Members want to speak. I have not quite done the calculations, but we are talking about three or four-minute speeches, if everybody is to be called. Am I right in understanding that the Liberal Democrats do not have a Front-Bench spokesman present?

Dr. John Pugh (Southport) (LD): I am speaking for the Front Bench.

11.23 am

Mr. David Winnick (Walsall, North) (Lab): I congratulate the hon. Member for Oxford, West and Abingdon (Dr. Harris) on securing the debate. It is about time that the issue was debated. Clearly, there are strong feelings on both sides, and it would be silly to pretend otherwise. I am much in favour of a change in the law along the lines put forward in Lord Joffe's Bill, which was debated in the House of Lords some two years ago. Although it was defeated, it reflected to a large degree the sort of measure that I would like, with all the necessary safeguards. It was tightly drawn, as any such measure must be.

I raised the matter in the House of Commons at business questions on 30 October, and I asked for the opportunity to have a debate. Interestingly, the Leader of the House replied:

"The criminal offence of assisting somebody's suicide is unique as it is the only part of the criminal law where it is an offence to assist the commission of something that is itself not an offence." —[*Official Report*, 30 October 2008; Vol. 481, c. 1039.]

That was an interesting interpretation, and no doubt the Minister will echo it when she responds.

Somehow, the impression tends to be given by opponents of the measure that those who want to see a change in the law want to encourage the terminally ill to end their lives by such means. Nothing could be further from the truth. Both sides in this controversy rightly take the same line on the need for the best palliative care to be available to the terminally ill.

The same applies to hospices. In my borough of Walsall, we have campaigned for more than a quarter of a century to have a hospice, and I am glad to say that at long last there is a reasonable chance that we will have one within two years. On those sorts of measure—on doing everything possible for the terminally ill—there is no difference between the two sides whatsoever. Again, I repeat that the idea that those of us who want a change in the law want to encourage people to die could not be further from the truth, and that should be emphasised.

As the hon. Gentleman said, we are faced with a small number of people—it will always be a small number—who take the position, as their health worsens, that they simply want to end their lives. Of course, if they were in a position to commit suicide, that would be quite legal; if they attempted suicide and did not succeed, they would not be prosecuted, because of the 1961 Act. Those people are either unable to commit suicide, because of their medical condition, or simply do not wish to do so. If I were terminally ill and I decided that I wanted my life to come to an end, I would not wish to commit suicide, perhaps for lack of courage or confidence that I could do it.

The question arises, which is the crux of the debate: should the law permit those who are in such a condition that they want to end their lives to do so in this country, without travelling abroad? That is the nub of the issue, and it is not going to go away. The controversy will continue, but I believe that, in time, although I do not know when—quite likely not in my lifetime—there will be a change in the law.

Last week a national newspaper carried a piece about a different person to the one mentioned by the hon. Gentleman. Her husband had been diagnosed with terminal cancer three years ago. He received treatment—I am sure that he received the best treatment available—but there came a stage, as she wrote in the article, when he decided that he simply did not want to continue to live. That was his wish. Some hon. Members who are strong opponents of what I am suggesting would no doubt take the view that he should not have that right, but he nevertheless believed that he had the right to control his own life and to decide that it should come to an end. He knew that it was not possible to do so in the United Kingdom, but he also knew that he could go to Switzerland, where the means would be provided for him to do so. Although there have been no prosecutions, there is always a possibility of prosecution. Despite that legal risk, his wife and adult children decided that they would accompany him. They were insistent that he should not go on his own, and they went to Switzerland. He was filmed confirming that he was acting on his own free will, before he was given a drug in liquid form, and the wife and the children held his hand as he died.

I accept that there needs to be the strictest safeguards against abuse. I would not wish to be a party to any change that did not have such safeguards. Hence, the measure in Lord Joffe's Bill would be limited and apply only to the terminally ill, where two independent doctors had examined the person. Provision would include a palliative care specialist, who would explain all the available alternatives. At every stage, the person would have the right to change his mind.

There is no question of such a measure leading to large-scale abuse. I do not deny that abuse could occur—it would be wrong to say that it would be impossible—but I believe that the kind of measure that I have described, which was defeated in the House of Lords, would provide the widest possible provisions for dealing with abuse and all the other difficulties that obviously cause us concern.

The hon. Gentleman commented on the situation in Oregon, where the position is much along the lines that I have been advocating. Its assisted dying Act, the Death with Dignity Act, has been in existence since 1994. It is interesting that the number of people who die in hospice care—I emphasise "hospice care"—in that state has doubled since the Act came into operation. Therefore, the idea that providing facilities such as those that I have been recommending for the terminally ill means that there would be less care or that more people would decide to take their lives has been shown to be absolutely false in the one state in the United States where such facilities exist.

I note that during the presidential, state and Senate elections—whatever elections took place last week—there were several resolutions on the ballot paper. In Washington, a large majority voted in favour of having the same provision as in Oregon.

Dr. Brian Iddon (Bolton, South-East) (Lab): Is my hon. Friend aware that, in those elections, the states of California, Michigan and Maine rejected physician-assisted suicide?

Mr. Winnick: That reminds me of the House of Commons and the House of Lords. I am not surprised, as such things take time. Various reforms, changes and measures that affect private behaviour and things such as the abolition of the death sentence and so on all took time and a great deal of campaigning. Obviously, my hon. Friend, whose view is different from mine, is encouraged by what he just said. I am discouraged by it, but it is a matter of debate.

I hope that the debate will continue. Just as people were given a right to decide under the Suicide Act 1961 that they could take their lives, I strongly believe that people who are terminally ill should be able to decide that they want to end their life, despite all the care and facilities that are available, and be able to do so without travelling abroad. The sooner the law is changed, the better.

11.33 am

Mr. Mark Field (Cities of London and Westminster) (Con): Unlike the hon. Member for Oxford, West and Abingdon (Dr. Harris), I believe that the empire of the law should have some limits. It may be perverse for a legislator to say this, but I do not think that a change in the law would be the right way forward in this regard, although I very much understand the suffering involved in the individual cases to which he and the hon. Member for Walsall, North (Mr. Winnick) referred in their speeches.

[Mr. Mark Field]

When my father was dying 18 years ago, I had a role, as his next of kin, to work with a long-standing family doctor to ensure that he had enough morphine—he was terminally ill with cancer—to ward off pain. To an extent, his life might have gone on a few days or weeks longer than it would have otherwise. That seemed to be the common-sense approach to the situation. This may seem rather hypocritical, but I think that, at times, we should perhaps turn a blind eye to what are often desperately difficult circumstances.

We must recognise that, as a compensation and blame culture becomes more prevalent around the world and in this country, medical professionals in particular will become increasingly reluctant to do the right thing if there are laws in place that may be seen to provide safeguards but simply regulate their lives more strongly.

I have fears about an assisted dying, or euthanasia, regime putting pressure on elderly people who do not have an immediately life-threatening condition. In essence, the right to die could morph into a duty to die.

I believe that I can refer to the recent high-profile case of the 23-year-old rugby player, Daniel James, who was taken by his parents to Switzerland. It was a dreadful case. One of the most disquieting aspects was that, when the story came into the public domain some months after his death in Switzerland, his parents referred to his having been a second-class citizen, given the injuries that he had sustained. Those injuries were serious and may not have come through even under the Joffe safeguards. They massively affected quality of life but were not life-threatening. It was envisaged that Daniel James could well have lived for some decades to come. What was worrying was the notion of his in any way having a second-class life or being a second-class citizen. Saying that some lives are more valuable than others is dangerous.

Mr. James Plaskitt (Warwick and Leamington) (Lab): Would the hon. Gentleman confirm, however, that if Lord Joffe's Bill had been enacted that individual would not have been able to secure the right to die, because of the protections in that legislation?

Mr. Field: Absolutely. In many ways, the case demonstrates some of the difficulties that we face in trying to frame a law that will cover all the cases that we would wish to cover, while ensuring that individuals have the right to die or to go through an assisted-dying process.

What worried me most about the case was the lack of common sense shown by the police. The reality of the situation—this may sound rather hypocritical—is that the police must take a common-sense approach. As someone who believes in a higher being—unlike the hon. Member for Oxford, West and Abingdon—I think that perhaps the judge in these ethical and moral matters should not be on this planet but elsewhere.

I was encouraged by the Minister's comment that there had been zero prosecutions in the nearly 50 years since the Suicide Act 1961. [Hon. Members: "Imprisonment."] No imprisonment, although there may have been prosecution and some investigation.

We need to take a much more common-sense approach to these desperately difficult ethical matters. I am glad that we are having this debate. I know that many hon. Members wish to speak, and I hope that as many people as possible will be able to put their viewpoints across in the course of the debate. We will obviously be interested to hear some of the Government's thinking about how this element of the law should be changed, if at all.

11.37 am

Dr. Brian Iddon (Bolton, South-East) (Lab): First, I declare that I am chairman of the national Care Not Killing alliance and a patron of Alert. Those two organisations oppose the introduction of assisted suicide and voluntary or involuntary euthanasia to the law of this land. CNK promotes palliative care and tries to educate the general public about the arguments in this difficult policy area.

There is no doubt that the Voluntary Euthanasia Society—I still call it that but will come to its new title in a minute—has been behind many of the attempts in this country over many years to change the law. It has increased its lobbying recently. It was behind Lord Joffe's Bills and has been involved in many of the high-profile cases that have ended up at Dignitas in Switzerland. It has used the media, particularly television, to put some hard cases to the public. I was on television last week after an emotional appeal by a Bristol lady, Kelly Taylor. It is difficult for someone with an opposing view to appear on that medium after an emotional appeal to end a person's life has been made, but I believe that bad law would be the result if the general public, and this place in particular, were to listen to all the hard cases. We have to consider the whole area.

Mr. Winnick: Will my hon. Friend give way?

Dr. Iddon: I am sorry but I cannot, as I have limited time.

Over five years, Lord Joffe made three attempts in the House of Lords to change the legislation in this policy area. Each time, he softened his approach. Have hon. Members noticed? Let me mention what he has said in a Select Committee in the House of Lords:

"We are starting off, this is a first stage....I believe that this Bill initially should be limited, although I would prefer it to be of much wider application, but it is a new field and I think we should be cautious...But I can assure you that I would prefer that the law did apply to patients who were younger and who were not terminally ill but who were suffering unbearably, and if there was a move to insert this into the Bill I would support it."

So his real intention is to get a Bill in to open the door and then later, perhaps, he or some other person in either the House of Commons or the House of Lords would try to amend the law. We are at a critical stage. Once the law is amended, the door is open to all kinds of exploitation in future.

Dr. Evan Harris: I have a huge amount of respect for the hon. Gentleman and I know that he has considered these matters for a long time. Does he not accept that it is for Parliament to decide the law? Arguing that we should not make a change in the law because Parliament might later change it, forwards or backwards, is no sort of argument; it is not even a slippery slope argument,

because Parliament is there to decide. I am sure that he understands that Parliament has made rules on embryo research, including on 14 days, which he supported, even though it could go to 28 days if an hon. Member proposed it and Parliament agreed. But we still do the right thing a step at a time.

Dr. Iddon: I think that my further remarks will answer that question.

The Voluntary Euthanasia Society started with terminally ill, mainly elderly, people suffering, initially, from cancer. It did not win the argument using such cases, so it then looked at long-term cases: people suffering from muscular dystrophy, multiple sclerosis and motor neurone disease. A number of cases have been paraded before us in the media, some of which have been mentioned today. All those cases are tragic. The Voluntary Euthanasia Society has even changed its name to Dignity in Dying and is also campaigning for improved palliative care, with a sting in the tail, of course, because it has supported, and has now successfully achieved, getting living wills on to the statute book. There is no doubt in my mind about what is happening. We will have a soft approach until the legislation is changed and then the very people who change that legislation will harden their stance later.

To answer the hon. Member for Oxford, West and Abingdon (Dr. Harris), I am pleased that a High Court judge said recently that the place to change the law is not in the courts, where the Voluntary Euthanasia Society has been taking its cases; the place to change the law is here, in the two Houses of Parliament. This is where we must have the debate and we must have a much more extended debate than we have time for this morning.

In 2005, Lord Goldsmith, when he was Attorney-General, said to the House of Lords Select Committee on Assisted Dying for the Terminally Ill Bill:

"it would be inappropriate...for him"—

the Director of Public Prosecutions—

"to issue a policy the effect of which was to say that 'I, the Director of Public Prosecutions, have decided to suspend or not to apply part of the law which Parliament has put in place and has not removed'".

So the judiciary is clear on this: parliamentarians must change the law—

Mr. Winnick *rose*—

Dr. Iddon: I am sorry but I will not give way. The law cannot be changed significantly in the courts of law.

A number of hon. Members have mentioned various states and countries, including the Netherlands, the state of Oregon and Washington state, which has recently changed the law. The significant thing about Oregon is that, according to recent research published in the British Medical Journal, one in six Oregonians who have taken lethal drugs provided by their doctors were actually suffering from treatable depression, which the doctors had failed to diagnose. There is a danger that some people will want to go beyond terminal illness and serious long-term conditions and go to younger people and those seriously suffering from mental illness as well. Baroness Warnock said in a recent article in *The Times*:

"If you're demented, you're wasting people's lives, your family's lives, and you're wasting the resources of the NHS."

What a statement for a peer of the realm to make! Let me remind hon. Members that some of the 700,000 Alzheimer's patients in this country would follow the course proposed by hon. Members if Baroness Warnock and her supporters had their way.

David Taylor: Will my hon. Friend give way?

Mr. Winnick *rose*—

Dr. Iddon: I am sorry but I will not give way. We have limited time.

The majority of doctors are opposed to physician-assisted suicide, as is the British Medical Association and all the royal medical colleges. In 2005, the House of Lords Select Committee recorded the view of the General Medical Council:

"A change in the law to allow"—

physician-assisted suicide—

"would have profound consequences for the role and responsibilities of doctors and their relationships with patients. Acting with the primary intention to hasten a patient's death would be difficult to reconcile with the medical ethical principles of beneficence and non-maleficence."

I agree. In the words of Lord Carlile of Berriew,

"The slippery slope is no fiction; it is already well-polished."

There are few of us who are not afraid of death, especially the uncertainty that is associated with it. We are all anxious not to become a burden on others and none of us would wish to suffer pain over a prolonged period. That is what organisations such as Dignity in Dying—I still prefer to call it the Voluntary Euthanasia Society—play on. The alternative is to ensure that people have dignity in dying and that their physical, spiritual and emotional requirements are met. I welcome the introduction by the Government of the recent end-of-life care strategy, which has many good things in it. Hopefully, dignity in dying will become much more prevalent when that strategy is practised across the country in future.

I do not want physician-assisted suicide to become a treatment option. I remind hon. Members what Hippocrates said in 400 BC:

"I will give no deadly medicine to anyone if asked, nor suggest any such counsel."

How a society treats its dying patients is a litmus test for that society.

11.47 am

Mr. Crispin Blunt (Reigate) (Con): It is a pleasure to follow the hon. Member for Bolton, South-East (Dr. Iddon) for reasons that I shall explain. I claim responsibility for encouraging the Voluntary Euthanasia Society to change its name precisely because the allegations in respect of compulsory euthanasia were used quite neatly by opponents to muddle up in the public mind, and in the argument, what it stood for, which was voluntary euthanasia, and that is quite a different matter.

Following the arguments produced by the hon. Gentleman, I commend Lord Joffe and Baroness Warnock for their honesty. There are two sides in this debate, one of which, having watched how the arguments have been put forward, has been commendably straightforward about what it is seeking to achieve in tackling issues that many of us find profoundly difficult.

[Mr. Crispin Blunt]

The hon. Gentleman made it clear that each time Lord Joffe introduced measures, they were increasingly restricted to try to test the views of the other place. Lord Joffe did that because every time we deal with the fundamental principle of whether competent adults should be able to judge whether to end their lives if they are terminally ill, that proposition is overwhelmingly supported by the public. I understand that, when this matter was tested most recently, 85 per cent. of the public agreed with that basic proposition, and they do so because, like me, they see that it is only reasonable that people should have some autonomy at the end of their lives in circumstances where they have almost lost total control. If people have witnessed relatives dying in such circumstances, with total lack of dignity, they will understand that the change of name from the Voluntary Euthanasia Society is wholly appropriate.

Given the limited time, I shall address two particular points. My hon. Friend the Member for Cities of London and Westminster (Mr. Field) made a case for the "grey area" and for Parliament doing nothing. I am afraid to say that that argument can no longer be made. In the latest case, the judges have made it clear that it is time for Parliament to take up its responsibilities. I was concerned by the alacrity with which the Minister leapt to her feet to confirm for my hon. Friend the Member for New Forest, East (Dr. Lewis) that there have been no cases of imprisonment for assisted suicides. There have been prosecutions; people have been left on bail for murder for months and have then had to go through the judicial process. We are failing people such as the family of Debbie Purdy. They are in a position of doubt because we, as Members of Parliament, are not prepared to take up our responsibilities and make the law clear.

However, the issue is not just about those who are involved in assisting people to commit suicide who would not otherwise be able to do so in circumstances in which a terminally ill person is competent and wants to bring their life to an end; it is about providing the comfort of the knowledge that a terminally ill person will potentially have control at the end of their life over circumstances that they cannot predict. That is the greatest and most striking benefit from the change in the law in the state of Oregon, where 17 per cent. of people who are dying take the opportunity to discuss the possibility of ending their life in circumstances over which they have some control with their family. That simple proposition is overwhelmingly supported by the public and would bring comfort to an increasing proportion of our population who are now dying from diseases in a more drawn-out, longer, undignified way than previous generations. We, as Members of Parliament, have a responsibility to hold a debate and bring this matter to a conclusion. We must bring our laws up to date so that they operate in the interest of those people.

At the moment, we are obviating our responsibility and that is why I profoundly disagree with my hon. Friend the Member for Cities of London and Westminster. The grey area in which we are placing people leaves them in uncertainty and doubt, and we are not doing them any service at all. Medical professionals are now in a position in which they know that it is in the interests of their patient to administer the lethal morphine dose. However, that is cloaked by the law of dual effect, and they administer pain relief in the absolute knowledge that their patient will die. In many circumstances, the one thing they are unable to do is to establish the wishes of their patient because as soon as they enter into that discussion, they place themselves in peril of prosecution because we have failed to make the law clear. It is time for us to address that.

Hugh Bayley (in the Chair): There is time for two four-minute speeches before we start the wind-ups.

11.52 am

Chris McCafferty (Calder Valley) (Lab): Like my hon. Friend the Member for Bolton, South-East (Dr. Iddon), I declare an interest: I am the chair of the all-party group on compassion in dying, and so, obviously, I have a specific and opposing view to him. I should like to make the view of the all-party group clear to hon. Members, because there is a great deal of misunderstanding about the views of Members who support the right to a dignified death.

Let us be clear that the law as it stands places an absolute ban on assisting another person to die. Assisting a suicide is an offence under the Suicide Act 1961—the law has not changed—and it is punishable by a possible 14 years' imprisonment. The law is out of step with public opinion and the morals and values of today. In the recent ruling in the case of Miss Debbie Purdy—I am delighted to see she is with us today; she is a powerful advocate for the issues surrounding assisted dying—the judges acknowledged that the offence of assisted suicide is widely drawn.

Hugh Bayley (in the Chair): Order. I remind the hon. Lady of what I said at the start of the debate: hon. Members can talk about principles, but not about individual cases. It would be inappropriate to discuss what the judge said.

Chris McCafferty: I take that on board entirely, Mr. Bayley. Indeed, the judges ruled that only Parliament can change legislation—a point that I am sure we would all readily accept.

Some opponents of a change in the law on assisted dying argue that the law is not broken so we should not attempt to fix it. However, much evidence shows that, despite those claims, the status quo has many negative consequences. The hon. Member for Oxford, West and Abingdon (Dr. Harris) said that the status quo forces terminally ill people to look for alternatives, to exercise control over the manner and timing of their death when they feel that their suffering has become unbearable. That status quo has a terrible cost. We have already heard that, on average, 16 British citizens travel to Dignitas every year. The Home Office has identified that there are four cases of mercy killing each year, but I suspect that that represents only a small fraction of the real number of cases. Of course, such cases often never reach the courts.

Sadly, each year, a number of terminally ill people resort to what are often violent and botched suicides. A number of people refuse food and water, to exercise control over the time and manner of their death. In addition, every year more than 900 people explicitly request that they receive assistance in dying from their doctor. The consequences for those who help can be

dreadful, and many terminally ill people are driven to desperate measures, such as violent suicide or starvation. They are unable or unwilling to find someone to help them, because they know that that would involve breaking the law.

Those figures demonstrate that the status quo has an extremely negative impact on a sizeable proportion of terminally ill people. I should like to make it clear that Dignity in Dying campaigns for all terminally ill people to have access to excellent top-class palliative care services, regardless of age, disease, geographical location or any other factor.

[Mr Eric Martlew *in the Chair*]

Of course, we all know that access to excellent palliative care is not always available. We also know that, for some people, good-quality palliative care cannot address their concerns about losing autonomy, control and dignity at the end of their lives. That is far from being a failure of palliative care. This is person-centred issue and, most frequently, at the heart of a request to die is a concern over a loss of autonomy and a desire for control.

The House of Lords Select Committee on the Assisted Dying for the Terminally Ill Bill recognised that there is a group of patients whose demand for medically assisted dying will not be deflected by any circumstance—certainly, not by more and better palliative care. The National Council for Palliative Care, the British Medical Association and Macmillan Cancer Support have all acknowledged that to be the case. Dignity in Dying believes that mentally competent terminally ill adults should be allowed the option—it is an option, because it is a matter of personal choice—of an assisted death within strictly legal safeguards. That would bring an end to the many negative consequences of the status quo for terminally ill people and their loved ones.

As we have heard, there are a number of ways in which individuals will take matters into their own hands—for example, Dignitas deaths, mercy killings, violent and unfortunately botched suicides, people refusing food and water and, in some cases, doctors helping their patients to die. The Swiss organisation Dignitas helps people with incurable illnesses to die and regularly features in the British media. In fact, more than 650 British people are members of Dignitas and, since October 2002, more than 100 British citizens have travelled to Switzerland to have an assisted death. That is an average of 16 citizens a year who go to Dignitas. Those people have travelled with the help of their loved ones, and they fear terribly what the legal consequences will be for their loved ones when they return to the UK.

The lack of legal certainty in respect of prosecution of people who accompany their loved ones leads some terminally ill people to travel to Switzerland alone and often—this is a very important point—much earlier than they would otherwise have wanted to do. People are forced to die in a foreign country, away from familiar surroundings and, in some cases, without their loved ones—without their family.

Mercy killings are slightly different. Under the current law, anyone who ends the life of another can be convicted of murder and receive a life sentence, even if the act is a compassionate response to a dying person's request for help to die. Despite the risk of being convicted of murder, a number of people resort to mercy killing, and they often regard that as a final act of love towards a person—perhaps someone to whom they have been married for 50 or 60 years—who is suffering and has requested help to die.

Home Office records show a total of 57 suspected cases of homicide from 1990-01 to 2004-05 that could be described as mercy killings. I am sure that that is only a fraction of the real number, which can never be discovered. The current situation has incredibly negative effects.

Mr. Eric Martlew (in the Chair): Order. I should like to allow another hon. Member to speak before the start of the winding-up speeches. I ask the hon. Lady to remember that.

Chris McCafferty: I take on board that point, Mr. Martlew. I shall make just a couple of final points. The Law Commission has recommended a review of the way in which mercy killing is treated under the law, but the Government and the Ministry of Justice have not established such a review. In a written answer to me on 24 April, my hon. Friend the Minister said that the Government had no plans to do that, despite the fact that changes proposed by the Ministry of Justice to the law of murder could result in genuine mercy killings resulting in life sentences for murder. Such harsh treatment is unfair and goes against public feeling. I understand why the Government are making the proposed changes, but the effect could be that the benign sentencing that we have come to expect or to know in relation to genuine mercy killings is replaced by long custodial sentences. The whole area is murky, and I ask the Minister to adhere to the Law Commission's recommendation for a consultation on mercy killing, which would be in everyone's best interest.

12.2 pm

Dr. Julian Lewis (New Forest, East) (Con): In view of the fact that the hon. Member for Calder Valley (Chris McCafferty) took more than twice as long as the guidance from the Chair advised, I shall be exceedingly brief. I believe that the title Dignity in Dying would be far more appropriate for the hospice movement than for the former Voluntary Euthanasia Society.

I believe that my hon. Friend the Member for Cities of London and Westminster (Mr. Field) was absolutely right when he said that one has to apply common sense in these terribly delicate and sensitive areas. Legislating for situations as extreme as those with which we are concerned today is not the best way to apply common sense. The law and common sense are often poles apart. I believe that the hon. Member for Bolton, South-East (Dr. Iddon) put his finger on the nub of the problem when he said that hard cases make bad law.

My own sole contribution to the debate will be to pick on a single word that has been used by the apologists for voluntary euthanasia—safeguards. They say that, of course, appropriate safeguards must be in place. One cannot, in practical terms, put safeguards in place. One cannot safeguard a vulnerable elderly person from being pressed in private to tell the doctors that he or she wants his or her life to be ended prematurely, and one cannot have a safeguard against a selfless vulnerable person, even without pressure being applied by anyone else, feeling that it is their obligation to ask for euthanasia in order not to be a burden on others. Of course, as the

[Dr. Julian Lewis]

hon. Member for Walsall, North (Mr. Winnick) said, there are relatively few tragedies in the present situation. Let us not substitute heavy-handed legislation to make a much larger number of abuses the consequence of ill considered interference by the state.

12.4 pm

Dr. John Pugh (Southport) (LD): This is not the first time that I have debated euthanasia with my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris). I congratulate him on obtaining the debate. We have debated the issue before, certainly at the Liberal Democrat party conference in Southport—my constituency—in 2004. Then, the party backed assisted dying in principle, subject to important and very detailed safeguards, and called for a royal commission. Subsequently, there have been accusations of backsliding from one MEP in the north-west, but that none the less stands as the current party policy.

I lost that debate. I argued that there should not be a party policy, but my hon. Friend, through his persuasiveness, was able to convince the party otherwise. I must make it clear that our positions have not changed since: we stand on opposite sides of the fence. I feel that it is my destiny in this place to follow my hon. Friend, frustrating his legal innovations. As he is a chairman of the National Secular Society, I am reminded of the first MP who identified himself as an atheist in this place, Charles Bradlaugh, who was followed round by a stupider brother called Henry Bradlaugh. He used to appear at many gatherings at which he spoke in a messianic way about atheism and shouted at the back. I will not do that, because this is a very difficult and emotive issue, which is not helped by demonising or stereotyping proponents and opponents as either knaves or fools. There is clear moral intent and careful thought on both sides.

Clearly, important background views colour and run right through the debate. I acknowledge in the context of the debate that some see life as a gift that should be endured, or enjoyed, and some see it as an amazingly fortuitous random event that should be no more unpleasant than it has to be. For the purpose of the debate, we can park or bracket off the different faith positions and concentrate on a rational analysis of the inherent difficulties of assisted-dying legislation. I shall offer my personal analysis.

Assisted dying is a more inclusive, broader term than assisted suicide, with which it is conceptually confounded—it has been in the debate. It is clearly different from palliative care of the dying, suicide or a patient's right to refuse treatment. Assisted dying proposals in all nations are designed to authorise and legitimate help given with the positive and primary aim of ending life swiftly—not generally, but subject to specific conditions. The grounds are invariably much the same. Either the individual believes something about their condition or the state believes something about their condition—that it is unbearable, hopeless, profoundly undignified or unnecessary or, as has been cited many times in the debate, lacking in autonomy.

Nearly all the proposals that we see these days insist that the individual must believe something and the state must do so, too. If just the state had a view of the individual's condition, it would be involuntary euthanasia. If it was left entirely to the individual to judge their need of state euthanasia, we would have assisted suicide for depressives and the like. Both of those are unacceptable, so the only currently mooted proposals involve an individual regarding their life as intolerable, worthless, unbearable or lacking in human dignity and the state endorsing that choice. Their view on their condition is thought to need state, medical or social sanction. Most current proposals and most current laws—whether in Oregon, Holland or wherever—reflect that. An individual states a view of their predicament, and some authority agrees that that is rational. Grounds are stated by the individual.

Mrs. Madeleine Moon (Bridgend) (Lab): The hon. Gentleman has put together quite a cogent argument, but something that he has not addressed and that has not been addressed at any time during the debate is that totally unregulated area that has entered modern life—the internet. On the internet, there is access to information about dying and how to take one's life. There is no regulation of that and there is also—

Mr. Eric Martlew (in the Chair): Order. Interventions should be short.

Mrs. Moon: I apologise, Mr. Martlew. On some of those sites, there is also encouragement to take one's life. Is that not an area that we should, as far as possible, take responsibility for moderating and controlling?

Dr. Pugh: I agree, but that is probably outwith the remit of the debate. I am simply making the point that there is a generic quality to every proposal that we see. Grounds are stated by an individual, and those grounds are then agreed by the state. Let us consider the recent case of Daniel James, who was not dying in the ordinary sense. In many cases, his choice was presented in the media as the right choice. It was agreed that his life was unbearable, a burden and so on. However, I have the same concerns as the hon. Member for Cities of London and Westminster (Mr. Field). I received an e-mail from a constituent of mine, and I will read a small section of it. My constituent, Dr. Sue Garner-Jones, wrote:

> "I am writing to ask that you please say something about the hysteria surrounding the "bravery" of the late Daniel James and his family. I am seriously concerned that this might have a severely detrimental effect on anyone who lives with disability or cares for someone in this situation, especially as Mr. and Mrs. James are referring to his life as a tetraplegic as "second class"... I am a tetraplegic, as you may know, and have been for 30 years since a car accident paralysed me at 19... Many times I have felt despair, as most of us do, so of course I respect and understand this man's decision and am not judging him: I have neither the wish nor right to do so. However, to call this action "brave", "courageous" and "selfless" implies that those of us who battle on are "cowardly" and "selfish", which is unfair and untrue... Please speak out as there should be one voice for those of us who turned a "tragedy" into almost a "triumph" and despite the temptation to give up went on. Society must not return to thinking of the disabled as literally "invalid."

Paul Holmes (Chesterfield) (LD): I thank my hon. Friend for giving way. He is my friend in the real world, not only in terms of the jargon that we use in discussions. However, I fundamentally disagree with him on this matter, and I am surprised that, as Front-Bench spokesman for the Liberal Democrats, he is attacking our party policy. Surely, if he votes with his conscience against

assisted dying, he must accept that he is denying the consciences of other people, such as Daniel James, Christopher Pailthorpe, Debbie Purdy and Diane Pretty—

Mr. Eric Martlew (in the Chair): Order. Interventions should be short. I am sure that everyone wants the Minister to reply.

Dr. Pugh: I am finishing, Mr. Martlew. My key point is that whatever their condition, some people will choose to react in one way and some in another. That applies right down to motor neurone disease. Last year, I had an intern whose father had motor neurone disease and appeared before Lord Joffe's committee. The father died during the time that the intern was with me.

In deciding to authorise assisted dying, the state must take a view on the reasonableness of one action or another, and take the consequences. We can get out of that conclusion only if the state can unequivocally identify those conditions that individuals ought not willingly to have to bear. That cannot be done satisfactorily and with clarity without having a secular state with clear, immutable values. There is no evidence that the state has those values nor expectation that it will have or that other states will be able to do so. Over time and between countries, there will be marked differences on this matter.

My conclusion—this is my personal analysis—is that any argument presented must confront the accusation that we will be replacing the clear, albeit discretionary, law that we have now with a discretionary but fundamentally unclear law. We must answer that point.

12.13 pm

Mr. Edward Garnier (Harborough) (Con): I will endeavour to cover the four corners of the debate as best I can in the short time available. First, we must realise that the question is not whether the law is clear. It is. The question is whether it is the right law and, if it is not right, how we should change it.

Section 2(1) of the Suicide Act 1961 states:

"A person who aids, abets, counsels or procures the suicide of another, or an attempt by another to commit suicide, shall be liable on conviction on indictment to imprisonment for a term not exceeding fourteen years."

That could not be clearer. The one thing that criminal law must be, whether in the Suicide Act or any other aspect, is certain as to its meaning and effect. It is in respect of the effect of the legislation that certainty is beginning to leave us. It is not for me to say today where that certainty should be recovered—in a new law or in the strict implementation of the current law, or somewhere in between.

I congratulate the hon. Member for Oxford, West and Abingdon (Dr. Harris) on bringing this subject to our attention. The topic is difficult to grasp and sometimes embarrassing to talk about. However, as parliamentarians, we must think about it from time to time. The Suicide Act was passed in 1961—nearly 50 years ago. No statute is necessarily apt for all time, and it may be that Parliament will, following the advice of the divisional court and the recent judgment of Lord Justice Scott Baker, reach a conclusion that may last us for another 50 years. We should not shrink from having that debate. I congratulate the hon. Gentleman on at least beginning that process, even if we do not reach a conclusion today.

The question we need to have answered is: what should the law be? The answer cannot come from the courts, albeit that the courts are—this may surprise the professional politicians among us—reasonably good at reflecting public opinion and expressing it in a coherent and rational way. In the recent case, Lord Justice Scott Baker emphasised that the case was not about whether it should continue to be a criminal offence in this country to help another person, whatever the circumstances, to take their own life: that was a matter for Parliament and not the courts. Nor was it about whether someone could obtain, in advance, immunity from prosecution for helping another person to travel to another country where assisted suicide is lawful for the purpose of an assisted suicide. That question had already been decided in the negative by the Appellate Committee of the House of Lords in the case of Diane Pretty.

We should not mislead ourselves by referring to that recent case or any earlier case. We as a Parliament must decide on a matter of public policy about where the law should be directed. As I said a moment ago, we must grapple with that decision with some vigour. Given the increasing number of cases and the publicity that this sort of law attracts, we cannot simply let matters lie. We cannot avoid the debate. I am not suggesting that the law necessarily needs to be changed, but we must be clear what we are about. If that requires us to think for ourselves, so much the better.

The hon. Gentleman has made it clear, on other occasions if not this one, that in the past, most Members of Parliament would have considered life to be God-given and that it was not for human beings to step into the shoes of the Almighty to terminate it. However, society and the way that Members of Parliament think and have been brought up has changed considerably, not only in the past 50 years, but in the past 150 years. It is still shocking that in the five years prior to 1958, 3,000 people were convicted not of assisted suicide, but of the crime of attempted suicide. Of those, nearly 200 were sent to prison. Within most of our lifetimes, people have been sent to prison for attempting to kill themselves. Those figures shock us, but today we tend to think of those who attempt suicide as people who need help and pity, not condemnation and punishment.

I suspect that we are beginning to think differently about those who want to end their own life for their own private reasons. It is not for me to provide an answer or rewrite the law, but it is important that the process of thinking begin. We should not be embarrassed to take outside advice or to allow ideas to be tested—some to destruction, some to the fruition of greater thoughts. Before I rose to speak, eight Members brought their personal, political and philosophical experiences to the debate. I have been impressed by, among other things, the absolute conviction that doing nothing and not having the debate is no longer an option. We must apply our minds both outside and inside Parliament to ensure that we create a set of laws and a regime that will be apt for the next 50 years, if not for all time.

You will readily appreciate, Mr. Martlew, that I am not a philosopher, a scientist or a doctor. I am not even a priest. However, whatever the legal answer to the question, "What is the law?", we need to deal with the vexed and vexing question that surrounds the present law on assisted dying. It needs to be put into shape by Parliament. That, as I said a moment ago, is our duty. It is a duty from which we must not shrink.

[Mr. Edward Garnier]

The present state of affairs is increasingly under attack, but no statutory answer to the problem has been found. We reopened the debate today, but we have not concluded it—and I do not suppose that the Minister will do so. However, from my party's point of view it is a question with which we shall have to come to grips, if not today then over the next few years. It cannot be allowed to rumble on in this unsatisfactory way.

12.20 pm

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): I congratulate the hon. Member for Oxford, West and Abingdon (Dr. Harris) on securing this debate. The subject has clearly aroused enormous interest, and we have had an excellent debate—short but good.

We heard contributions from all sides; the arguments were well thought through and passionately stated, and the strongly held beliefs expressed were frequently based on personal experience and personal philosophy rather than party politics. Consequently, the three Liberal Democrat Members here today reflect three different positions. We have heard the Liberal Democrat Front-Bench spokesman, the hon. Member for Southport (Dr. Pugh), repudiating his own policy. We have seen the hon. Member for Cities of London and Westminster (Mr. Field) flanked by people who passionately disagree with everything that he said. Similarly, different views have been expressed by my right hon. and hon. Friends.

This debate is clearly not one that we needed to start. It is ongoing. Others with an interest—including Dignity in Dying, or the Voluntary Euthanasia Society—continue to press on the subject. Although Parliament has not changed its settled view since 1961, as the hon. and learned Member for Harborough (Mr. Garnier) made clear the debate has not been in suspended animation. I have no doubt that it will continue.

I wish to make it clear that I agree very much with what hon. Members said about the state of the current law. There is no doubt that the position is clear. As the hon. and learned Gentleman said, until the Suicide Act 1961 was passed, one could be sent to prison for attempting suicide if one managed to survive the attempt, and frequently people were imprisoned for such offences. Section 2 of that Act deals with the highly unusual offences of aiding, abetting, counselling or procuring the suicide or attempted suicide of another. It is not unique, but it is unusual because it criminalises something that is not itself an offence. There is a similar offence under the Female Genital Mutilation Act 2003, but the provision is highly unusual.

The crime of complicity in suicide—it is still a crime—covers a variety of situations. As we heard today, it covers situations of widely different moral culpability. There is a continuum, but Members would draw the line at different places. One merit of having a clear law is that it draws a clear line. However, as the hon. and learned Gentleman and others have said, one must then consider how to enforce it. If one has a clear line and no enforcement, is the position any clearer? That question has been the nub of our debate.

In the context of concerns expressed by my hon. Friend the Member for Bridgend (Mrs. Moon) in her brief intervention about technological advances and the use of the internet to encourage suicide, the Government have reviewed the situation. We have considered the current state of the law, as has the Law Commission. Among other things, the commission said that it believes the current law to be about right.

Having reviewed the matter, the Government, too, believe that the present law covers encouraging suicide on the internet. However, because equivalent provisions have been replaced in the rest of the criminal law, we believe that there would be benefits in updating and clarifying the language. We have said that we intend to do that when parliamentary time allows. I cannot say this morning, before the Queen's Speech, when that might be—whether it will be sooner or later—but we have made it clear that we intend to simplify and modernise the language of existing offences. It will be done when parliamentary time allows.

Mr. Blunt: The Minister says when "parliamentary time allows", but on behalf of all who have taken part in this debate—I presume that we all want this debate to continue—may I ask her to ask the Leader of the House to give us the opportunity to debate the matter properly, on the Floor of the House in Government time?

Maria Eagle: I can certainly draw the attention of my right hon. and learned Friend the Leader of the House to the hon. Gentleman's request, but he could do it himself at business questions on Thursday.

Mr. Blunt: But not as efficiently.

Maria Eagle: I am sure that the hon. Gentleman will do so, but I can draw my right hon. and learned Friend's attention to the *Official Report* of today's debate, if that is of any assistance.

Mr. Blunt: So that is a no.

Maria Eagle: It is not a no. It is not fair to say that. I have undertaken to draw the matter to my right hon. and learned Friend's attention. No doubt, the hon. Gentleman will also do so.

It is clear from today's debate that there are passionately held but differing views between parties. People can often be divided into those who have seen death closely—frequently the death of a loved one, and a number of Members have referred to their own experience in that respect; I, too, have had such an experience—and those who have not. That is one factor that may cause people to come to a conclusion on the subject. The experience of Mrs. Winifred Crew was prayed in aid by the hon. Member for Oxford, West and Abingdon. She is a constituent of mine, and I have discussed the matter with her. Others come to a view and face up to the concerns and difficulties of this aspect of the law through constituents who have faced such issues, even if we ourselves have not.

The debate was good partly because it was non-party political. It proceeded from our experiences and those of our constituents. It will continue to do so. It is difficult to be clear what the law should be—if one accepts that it should change—and what safeguards we should have. The debate was clearly between what I might call the slippery slope argument and the safeguards

argument. One person's slippery slope can be another person's safeguard. Some take the view that the difficulties are so great that the capacity to draw a line somewhere in this new grey area, if we are to step over the current line, is such that it is not possible to change. That is the debate that is needed.

Dr. Evan Harris: Does the Minister agree with the hon. Member for New Forest, East (Dr. Lewis) that no safeguard could ever work, and that even if we wanted to change the law—I am not saying that she should tell us her view—we should not go there because no safeguards could protect the vulnerable? If she does agree with the hon. Gentleman, does she accept that we have a crisis now? Vulnerable people could, for the reasons he gave, refuse treatment even when they were not terminally ill and thereby bring about their death, because they had been coerced directly or felt that they were being coerced? Does she agree with him?

Maria Eagle: I agree that there are pros and cons to the status quo, and I can see that there will be pros and cons to any change, or to the line being drawn in any particular place that might be suggested. We need a consensus in society and in Parliament before any change can be made—if, indeed, there is an acceptance among Members of Parliament that the law ought to be changed. The moral dilemmas and difficulties are great. We all have different views, as do the political parties, on precisely where that line should be drawn.

This morning's debate has indicated that this is a live issue and a matter that parliamentarians and Governments must and will continue to consider. I have no doubt that there will be opportunities for those on all sides of the argument to debate the subject and to propose measures to change the law in one way or another. We will have the opportunity to take those decisions.

Boundary Review (Devon)

12.30 pm

Mr. Adrian Sanders (Torbay) (LD): I believe that I am the only Member for a Devonshire constituency who was born in the county, so I feel some emotion about any changes made to it. It is the county of Sir Francis Drake, Sir Walter Raleigh, Sir Francis Chichester, Samuel Taylor Coleridge, Agatha Christie and Sir Joshua Reynolds—so many famous people have come from my county. Unfortunately, a flawed process is under way looking at how the county is managed. It has been marred by the misinterpretation of criteria and guidance, which has led to conclusions that have upset everyone and failed to achieve any obvious service delivery improvements, taxpayer savings or enhanced democracy anywhere in the historic and beautiful county of Devonshire. Specifically, the process has disadvantaged one of the two unitary authorities—namely, Torbay. The process is flawed because it is top-down and seeks to fix a problem that may not exist. It has no identifiable grass-roots support and fails to recognise what problems may exist and how improvements could be made for the people of Devon.

I am an advocate of unitary local government supported by independent precepting parish or town councils, but I fear that the way in which the review has been handled will result in the worst of all worlds for all areas of the county. The boundary committee for England ought not to be allowed to move the goalposts and change its interpretation of the guidance once the process has begun. That is a serious allegation, but, on 6 February, guidance was published for communities and local government in response to the decision not to allow Exeter city council to become a unitary authority. Section 8 of the guidance stated:

> "The matters on which the Boundary Committee is requested to advise in relation to the unitary proposal from Exeter City Council are:
>
> a) where there could be an alternative proposal for a single tier of local government and if so on what basis, for Exeter and the whole or part of the surrounding Devon county area, (with existing, or if necessary changed, boundaries of Plymouth City or Torbay Borough) which would in aggregate (including any implications for Plymouth City Council and Torbay Borough Council) have the capacity, if it were to be implemented, to deliver the outcomes specified by the five criteria set out in Annex A to this request".

Paragraph 1.4 of the draft proposal, which was published in July, reads:

> "In providing that advice, we are able to propose changes to the boundaries of the city of Plymouth and the borough of Torbay, both of which are existing unitary authorities in Devon. However, the guidance accompanying the Secretary of State's request for advice makes clear that we may only recommend changes to the boundaries of those two authorities if, on the basis of evidence received, our judgement is that such changes are essential to facilitate a unitary pattern of local government in the two-tier area of Devon that would have the capacity to meet the five criteria. Further, any changes to the boundaries of Plymouth or Torbay must maintain the concept of those areas as unitary local authorities."

Then, yesterday, the boundary committee issued a briefing note for today's debate in which the boundaries have moved again:

> "With regard to the existing boundaries of Plymouth City Council and Torbay Borough Council the Secretary of State also said: 'boundary changes to Plymouth City or Torbay Borough are to be considered necessary only if, on the basis of any

[Mr. Adrian Sanders]

evidence received, the Committee considers that: they are essential if there is to be an alternative proposal for a single-tier of local government".

First we were told that Torbay and Plymouth would be specifically included in any discussions on changes in local government service delivery in Devon, then that they might be involved and now that they will be involved only if certain criteria are met.

It was felt that Torbay had been included at the start of the process—the boundary committee gave a clear indication to officers and councillors, as well as to me, that we should engage with the process—so it is extraordinary that council tax payers' money has been thrown down the drain and time wasted when we were allegedly never invited to participate in the first place. The Minister should ask why Plymouth and Torbay unitary authorities would have made considered submissions, alongside individuals and organisations from both areas, if the boundary committee had not misled them into investing time and resources.

How the boundary committee can continue under the misnomer that it is advising the Secretary of State on the structure of local government in Devon, when four out of every 10 Devon households are excluded from the review, amazes me. I cannot speak on behalf of my Devonian cousins in Plymouth, but my constituents, who make up three quarters of the residents of Torbay unitary authority, will miss out and be disadvantaged if either of the recommendations from this unelected and unaccountable quango are accepted. This process has missed an opportunity to reunite Plymothians and the people of Torbay with the rest of Devon as a whole, or at least with unitary authorities with "Devon" in their titles. Three or four evenly sized unitary authorities could have met each of the five criteria laid down by the Secretary of State. They could also have tackled the problems faced by Torbay unitary authority and the challenges confronting the south Devon economy.

Torbay is the same size as the Exeter unitary authority that the boundary committee ruled out on the grounds that it was too small to be an effective unitary authority. Torbay needs to be placed in a much wider south Devon context of commuter patterns, health care and education provision and economic activity. The towns of Totnes, Ashburton, Dawlish, Paignton, Newton Abbot, Torquay, Teignmouth and Brixham share a common heritage and history. Yet the people of Teignbridge and South Hams have been denied the opportunity to consider taking over the smaller area and population of Torbay, and instead could be taken over by the largest unitary authority in the country with a headquarters a long way from the people it serves. Indeed, unitary county hall could well end up in Barnstaple if one of the draft recommendations is accepted.

If either of the recommendations is accepted, Torbay will be the smallest unitary authority in the south-west region, encircled by the largest unitary authority in the country. It will certainly not be in my constituents' interests to be overshadowed in this way and it would be a great injustice not to allow them even to participate in the process that brought it about.

In a letter to the review manager from the elected mayor of Torbay and the chief executive, the point was made very clear that:

"No viable, long term solution for the local government structure for Devon can be considered without the implications of any proposal on Torbay and Plymouth."

That should be straightforward and common sense, but clearly it is not happening. Torbay and Plymouth have effectively been excluded from the review, even though the review's final and accepted recommendations will have important implications for both those areas.

The solution is to go back to the drawing board and start again from the grass roots up. If the Secretary of State for Communities and Local Government wants to improve local government in Devon, the whole of Devon should be included in those improvements. She should return to the criteria, reform them and get the review right. Instead of displeasing all the people all the time, the Government should include all the people in determining changes to the delivery of their services. This is after all supposed to be local government, but "local" seems to be the one thing missing from this whole debacle.

12.39 pm

The Minister for Local Government (John Healey): I congratulate the hon. Member for Torbay (Mr. Sanders) on securing this debate. In his opening remarks, he quite rightly listed the famous sons and daughters of Devon. I had not realised that he also hails from the county that he represents. I can see that that is a particular source of pride for him.

I am very conscious of the pride that there is in the county. My concern, however, has been to consider whether or not there are better arrangements for the future governance of Devon. In particular, I refer to arrangements that would benefit the residents of Devon. That is the underlying principle behind our interest and the request that we have made to the boundary committee.

I welcome the fact that the hon. Gentleman describes himself as an advocate of unitary local government. In the past 15 months, I have felt like I was one of the few advocates of unitary authorities and one of the few who could see their great advantages, including avoiding duplication, increasing efficiency and simplifying responsibility for local council tax payers and local residents.

This debate takes place at a significant time in the restructuring process. As the hon. Gentleman is aware, the boundary committee is considering the representations on its draft proposals for single-tier local government in Devon. Its job is to assess them and provide advice to the Secretary of State and Ministers at the end of the year. I should make it clear that, at this stage, the job is that of the boundary committee and that the Government have no formal role, not least because the boundary committee is charged under statute to conduct the process and is set up under statute as an independent body.

As things stand, therefore, the statute prevents Ministers from making any decision on alternative proposals for unitary local government until six weeks after the date of receipt of advice, which is scheduled to be 31 December. Let me assure the hon. Gentleman that Ministers, not the boundary committee, will make the decisions and that we will be accountable, including in the House, for any decision. Given where we are in the process, I hope that the hon. Gentleman will understand that I will not

comment specifically on the draft proposals that the boundary committee has published and on which it is considering representations.

Let me deal with the hon. Gentleman's core concern. He asks on what basis the boundary committee is considering the position of Torbay and Plymouth and whether it has changed since February, when the initial request for its work was made. On 6 February, we asked the boundary committee to provide advice on a number of matters in relation to a proposal for a single tier of local government in Exeter that had been submitted to Government. That request specifically asked the boundary committee whether certain alternative unitary proposals could be identified that would have the capacity to meet the criteria that the Government had set out. In that request—I checked on this during the hon. Gentleman's speech—we made it clear that the alternative proposals should involve changes to the boundaries of Plymouth and Torbay only if, on the basis of any evidence received, the committee considers that they are essential if there is to be an alternative proposal for a single tier of local government for Exeter and the whole or part of the surrounding Devon county area. In aggregate, that would have the capacity to deliver the outcome specified by the five criteria.

If the hon. Gentleman has not had a copy of the full request—I suspect that he has—I am happy to let him have one. In black and white and on paper, the basis on which the boundary committee could, or perhaps should, consider the boundaries of Torbay has been clear from the outset.

Mr. Sanders: Does it not strike the Minister as odd that the extremely experienced and able local government officers in two local authorities, together with capable councillors—in one case an elected mayor—and a Member of Parliament have all interpreted that differently? Not only that, they had conversations with the commission and were encouraged to put forward ideas. Later, they were told that they should not have done that, because it was not part of the criteria.

John Healey: I cannot account for how local government officers might have read the guidance, whether they understood it or how they understood it. If the hon. Gentleman had talked to me about it at the same time as other hon. Members, I would have been very clear with him. What was reflected in the request for advice was, essentially, that we should not look to alter the unitary authorities where they exist, but that there had to be some scope for the boundary committee, if it felt that it might be necessary as part of any overall proposals for other arrangements within the county, to consider that question. That was the basis nearly eight months ago, when we first published the advice.

Mr. Sanders: I accept the point that the Minister makes. Since being told that one had wasted one's time, I have been trying to request a meeting, albeit with the Secretary of State, to discuss the matter. I have been told that the decision is taken not by the Secretary of State, but by the boundary review and that it will make its recommendations at the end of the year.

John Healey: If the hon. Gentleman was seeking a formal meeting with the Secretary of State, he will have to wait for the boundary committee to conduct its part of the process. It is up to the committee how it does that, as long as it meets the terms of the guidance and the timetable that we have set out. It is for those with an interest in the subject to make their representations and their case to the boundary committee. When we receive alternative proposals—if the boundary committee wishes to make them for Devon—there will be a period of four weeks in which the hon. Gentleman and others can make representations directly to Ministers. If he wishes to meet me at that stage and there are grounds to do so, I will be happy to meet him. Then it will be—this is set out in statute—at least another two weeks before Ministers can make any decision on future unitary arrangements, based on alternative proposals from the boundary committee.

As I said earlier, Ministers will make the decision. We will take into account not just what we may be advised to consider by the boundary committee, but any representation that is made to us at that time. Any decision that we take will be reported to the House, and we will be accountable through hon. Members and to the House. Clearly, if we proposed any change to the current local government arrangements, we would have to table regulations to that effect, and they would be fully debated. That would allow hon. Members to scrutinise the details of the proposals, as well as to hold us to account for any decision that we take.

I think that I heard the hon. Gentleman say that he accepts that there is no question of him not being allowed to participate in the process. The purpose of the published request to the boundary committee was to make it clear from the outset the basis on which the boundary committee had been asked to consider the position of Plymouth and Torbay in the context of its principal job, which is to look at the unitary arrangements—or potential unitary arrangements—in those parts of Devon that are still two tier. In other words, we wanted to ensure in the process that existing unitary authorities would not be changed unless that was necessary.

I am not sure whether the hon. Gentleman got to these questions, although they were implicit in what he said. Can we not allow the boundary committee to do something different from what we asked it to do in February? Can we not make it clear that we want it to consider the boundaries of Plymouth and Torbay in a more open fashion? To some extent, we are bound by the statutory nature of the process, which is set out in legislation and does not allow us to amend a request for advice from the boundary committee after it has been issued. If we were to consider taking such a step, we would therefore have to issue an additional request.

Given that the original request for advice was made eight months ago, that there is less than two months to go before the committee is due to make proposals to the Government and that Devon and all the interested parties have been working on the basis of the advice that we requested from the boundary committee, it simply does not make much sense to consider that option, not least because it would extend the period of uncertainty, which I am anxious to keep to a minimum, because I recognise that it raises big questions for people and existing councils in Devon. I am anxious to get to a position where we are clear about what we think should be the way forward without unnecessary delay.

However, it may be of some interest and comfort to the hon. Gentleman, as he has taken the trouble to initiate the debate, if I make it clear that the legislation

[John Healey]

and the process have the potential to allow for boundary changes after the creation of any new unitary authority in Devon. Although the boundary committee stated when it published its draft proposals on 7 July that it had decided not to recommend changes to the boundaries of Torbay or Plymouth in its draft proposal, the committee might consider that some boundary adjustments could be advantageous to the authorities concerned, including his. The committee's view, which I share, is that those boundary adjustments could be promoted if a review under section 8 of the Local Government and Public Involvement in Health Act 2007 were undertaken later.

Mr. Sanders: Would those adjustments be minor, or could they involve a fundamental reorganisation, as suggested in the recommendations?

John Healey: Essentially, the boundary adjustments would probably be described better as modifications than as fundamental re-drawings, but the powers exist nevertheless under section 8 of the 2007 Act. I urge officers in the councils concerned to consider that if we decide to proceed with adjustments to the local government arrangements in the other part of Devon. If we do, the hon. Gentleman may also want to make representations on that point when we seek to implement any decision.

I have explained what stage we are at and the process that we will undertake following receipt of the boundary committee's advice and proposals at the end of this month. After that, the earliest that the Secretary of State could take and announce any decision would be the middle of February. If appropriate, we would then introduce any necessary regulations to the House without undue delay. As I said, I am keen to ensure that we reduce the period of uncertainty and give the clearest possible direction, so that the House has the chance to discuss and approve or reject the proposals. If we were to consider a system of unitary authorities for all or part of Devon, the work necessary to prepare for such a change could then be started in earnest.

In summary, I have two things to say to the hon. Gentleman. First, the basis on which the boundary committee has conducted this process and considered the boundaries of Torbay or Plymouth has been clear from the outset; it was clear in the request for advice published back in February. Secondly, it seems sensible, particularly more than eight months on, to stick with our present approach. There is a legal framework for dealing with questions about boundary changes for Torbay and Plymouth subsequently, and it could be initiated either by the boundary committee or under the legislation by a local authority, including his, in whose favour he speaks so strongly.

12.56 pm

Sitting suspended.

Bank Lending

1 pm

Mr. George Mudie (Leeds, East) (Lab): It is a pleasure to participate in this debate and to do so under your chairmanship, Mr. Martlew. It is the first time that I have served under you, but I have heard highly of how fairly and sympathetically you chair Committees. Hopefully, I will need neither your fairness nor your sympathy.

My objectives in the next quarter of an hour are, first, to demonstrate the culpability of the financial sector in landing us in our present very straitened circumstances; and, secondly, to consider how the sector seems, at this very early date, to be responding to Government measures and to the recession that is just getting under way. I will contend that the way in which the financial sector behaves will affect the length, depth and seriousness of the recession. If the financial sector is positive in partnership with the Government, there is a chance that we will have a short and shallow recession. However, if it is not, and I will contend that there is every sign that it is not acting positively, the great fear is that we will have a deep and long recession, which will adversely affect many people in this country.

I start by making the point that yesterday in the Chamber we had a debate on the economy on an Opposition motion. There was the political opportunity to blame the recession on the Government's policies and so on. However, any fair person who has looked at the events of the past 12 months, or who has been involved in them, must say that the origin of the current economic problems clearly lies in the finance industry and in the United States.

Mr. Andrew Pelling (Croydon, Central) (Ind) *indicated assent.*

Mr. Mudie: I am glad to see that I have support in another part of Westminster Hall today.

The fact that there was cheap money enabled money to be pumped into the system and inappropriate lending to take place. My favourite example from America is that of the old lady of 90 who was employed as a cleaner and given a $450,000 mortgage. After two years with that mortgage, she felt that it was time to retire, which I think was a very sensible move, but of course she lost her house because the mortgage was called in. That is probably an extreme example but it is none the less an example of the extent of the laxity and irresponsibility of borrowing, because of the cheap money that was available.

However, the really bad thing that came out of the United States was that the financial sector, not content with extending the market with cheap money, packaged it into different financial instruments. For some reason that, looking back now, no one can understand, those instruments received a triple A rating and the American financial sector was able to sell them throughout the world—a major selling place was the UK—without the buyers taking the trouble to analyse what was in these financial vehicles, because of the triple A rating that had been granted to them. Thus, some of these very doubtful loans were added to—what? No one knew, because they just bought these instruments, as they were covered by a triple A rating. The instruments were very saleable and they made money.

The lack of judgment, the irresponsibility and, some would say, the greed of the financial sector stored up a huge problem. When the sub-prime market fell apart in the United States, the repercussions were felt, but they were really felt because of these financial vehicles. In the UK, what was happening was that the banks and building societies were borrowing short and lending long. They were going to the wholesale markets and borrowing money, lending out on mortgages, and repaying their own loans by borrowing further. Because of the toxicity, or rather the contamination, of these financial instruments, the wholesale market just froze completely and the financial institutions were caught in a very difficult situation. As a result, Northern Rock went under, other financial institutions are merging, and others have been taken over.

After 12 months, we were almost feeling that we could see our way through this problem when the American Government decided not to rescue Lehman Brothers and a fresh tremor went through the financial markets. The situation is now so serious that, to reflect it, I would like to quote the Governor of the Bank of England, from a speech that he made in Leeds:

"An...almost unimaginable sequence of events began...It is difficult to exaggerate the severity and importance of those events. Not since the beginning of the First World War has our banking system been so close to collapse."

If that was extravagant language from Mervyn King, his deputy, in a casual interview with the *Scarborough Evening News*, gave that newspaper a lovely scoop that went round all the world. He said:

"This is a once in a lifetime crisis, and possibly the largest financial crisis of its kind in human history. In terms of impact on the real economy we are still in early days."

Now that comment might be a bit overstated, but it reflects the second worry, which is the impact on the real economy. For 12 months, we hoped that the problems in the financial market would not move across to the real economy, to affect employment, but it is now clear that that is happening.

Mr. Pelling: Does the hon. Gentleman agree that the statement to the *Scarborough Evening News* is unfortunately all too true, in that, although the Government have acted with determination to rescue our banks, there is now a desperate need to repair those banks? I say that because they are in such a bad shape, in terms of their ability to lend, that it would be good news if the Government could think seriously about taking the bad debts off the balance sheets of the banks and copying what was done successfully in Sweden in 1992. Then, bad debts amounted to 15 per cent. of Sweden's GDP but by taking those bad debts off the banks' balance sheets, Sweden was able to come through very difficult times successfully. We now face similar problems, if not worse ones, in this country.

Mr. Mudie: That suggestion was made during the debate on the economy yesterday, and I think that it has some merit. It is interesting that the Paulson rescue launch in the US was initially going to do that, but it did not get through Congress. The Americans have now moved across to the model proposed by our Prime Minister and Chancellor, which has gone round and been accepted.

I am comforted by what the Prime Minister said when he was interviewed with the Chancellor on the day of the rescue. When he was asked, "This is plan A, what is plan B if it does not work?" the Prime Minister simply stated: "Whatever it takes." If I was in the financial sector and the Prime Minister said that he would do "whatever it takes" to deal with the problems the sector faces, I would be enormously comforted.

I would just like to go back to the Governor of the Bank of England. In the same speech in Leeds, he said:

"The actions that were taken"

by the Government—

"were not designed to save the banks as such, but to protect the rest of the economy from the banks."

I hope that every bank's board of governors reads those words from the Governor of the Bank of England and digests them, because that is the situation that we are in. The banks have been rescued. They will still have problems and may need more help, which they have been promised, but are they prepared to have a positive partnership with the Government in ensuring that the rest of the economy—the real economy—is protected and the recession is abated and kept shallow?

I would just like to race through the reactions to the Government's rescue package and what has happened since it was announced, because I am not certain that those reactions have been positive. The Government have very sensibly pointed out that they are using £500 billion of taxpayers' money to bail out the banks that got us all into this mess, and that taxpayers would have something to say about it if that money were handed over without any conditions. The three conditions are very modest. The gist of the first one is that bonuses to boards of directors should end for the period of the recession. The second is that shareholders should forgo their dividends for a suitable period. Given that we are rescuing the whole financial market from collapse, in the words of the Governor of the Bank of England, that is not an extreme condition. The final condition, which is the most important for the real economy, is that lending should carry on at 2007 levels in terms of competitiveness and availability.

The reaction to those conditions has been interesting. Barclays needed about £3.5 billion, but did it go to the UK Government and sign up? It did not. Rather than sign up to those conditions, it went off and sold nearly a third of the bank to two middle east states. That does not strike me—a politician who represents 60,000 people—as showing a positive attitude to the problems of people in the community.

After the 0.5 per cent. co-ordinated rate cut that was put through before the 1.5 per cent. rate cut by the central banks, half of all lenders passed on nothing of that cut, and the majority of the remainder passed on only a percentage. That raises questions about the spirit of the banks' thanks for being rescued. Then we had the farce of the 1.5 per cent. cut. The Chancellor had to pull the banks into Downing street, feed them breakfast, show them what the papers were saying about them and browbeat them into passing on the cut. I was interested to see, in Sunday's *Observer*, that Barclays, which owns Woolwich, has yet to decide whether it will pass on the cut. HSBC, First Direct and a host of smaller, but still large, building societies, including Britannia, Coventry, Yorkshire and Skipton building societies, have also yet to make that decision.

[Mr. Mudie]

There has been open and public repudiation of the conditions by TSB, which has told all its staff that bonuses will be paid. That is the same bank that, in the week before the 1.5 per cent. cut, prevented customers from moving from making repayments on both interest and capital to having interest-only loans. If one is in trouble, the first suggestion that a sensible bank would make would be to change to an interest-only mortgage, because those payments are cheaper than the repayment option. So, TSB stopped existing customers from switching to interest-only mortgages in those straitened days. Before the 1.5 per cent. cut was pushed through, there was an almost universal withdrawal of tracker funds from the market, but since a few building societies have passed on the 1.5 per cent. cut, public statements of open defiance have been made that the next cut will not be passed on.

There are 4.7 million small businesses in this country, in which 30.5 million people are employed. The Federation of Small Businesses says that one in three small businesses has seen no new credit on the market, that a third have seen an increase in the cost of new credit in the past two months, and that more than 30 per cent. have seen an increase in the cost of existing credit—that is the rub—in the past two months. One in 10 small and medium-sized enterprises has been refused credit in the past two months. As a result, one in three small businesses will reduce employee working hours, cut staff and stop all future hiring if the current credit climate continues. The FSB's newsletter, which is just out, says that although it

"welcomed the Government's bail out of the banks, the effects of this are not being felt by small businesses."

I return to Barclays, which is not my favourite bank. In September, it sent a letter to a firm, which the federation has sent to me. I shall not mention the firm because I have had no contact with it and do not have its permission. The letter states:

"Like many of our customers, you have an overdraft facility with us to help you manage your cashflow. The interest rate margin on your overdraft will be changing from 6.870 per cent. to 10.870 per cent. above Barclays Bank Base Rate."

So, we are talking about the mythical 14 to 16 per cent. overdraft rate. As if that is not enough, the next sentence in the letter says:

"Please may I reassure you that our commitment to your business hasn't changed."

Who says that banks do not have a sense of humour? But it is a sick sense of humour for small businesses that are struggling to stay alive.

Two banks—HSBC and TSB—said that they would pass on the rate cut to small businesses, but when the *Financial Times* money market survey looked at the rates, there was no indication that the cut had been passed on to small businesses. Does anyone get the impression that the banks have learned any humility after having to be rescued? I have not seen an ounce of humility or sympathy. We have to help people through the recession, but it is clear that the banks are not going to be positive or willing partners, and that raises problems for the Government and the public. The Government have put more than £500 billion of taxpayers' money into rescuing the financial sector, only to receive the sort of responses that I have described. As a representative of taxpayers, I have to ask the Minister whether he thinks that we are getting a good deal.

I have some questions for the Minister. Given that the bail-out has rescued all the banks and building societies in the industry, as the Governor of the Bank of England has pointed out, is not it sad the deal has been confined only to the three banks that have signed the agreement? Banks that have refused to take the money, such as Barclays, are under no obligation to meet the terms of the agreement. The industry will be protected from a domino effect, and banks such as Barclays will gaily carry on doing business.

Is the money that has been taken being defined as capital only, rather than as loan guarantees or the Bank of England's special liquidity scheme, which I am sure that all the banks and building societies have participated in at some stage? If they are participating in the other two funds, should not they be caught by the conditions?

As far as mortgages are concerned, repossessions are growing at a sad rate. Is there a mechanism available, or is one being put together, to check that the banks are, in every case, seeking repossession only as a last resort? When will the Government begin their scheme to help those who are unemployed or on benefit, but have a mortgage and are unable to meet it? What will be the trigger point?

The next question will be difficult to answer, but I am sure that given his abilities, the Minister will manage to deal with it with no problem. The one bank that the Government own has the highest number of repossessions of any major bank and the highest standard variable rate. How can we order other banks to do certain things when the one bank that we control and own is behaving in that irresponsible way?

I shall finish by adding some questions that the hon. Member for Twickenham (Dr. Cable) asked in yesterday's debate, which were not answered. I think that they are pertinent. Particularly in the case of small businesses, are the Government or anybody else monitoring the amount of business lending, and especially checking that it is actually taking place? Are they monitoring on a weekly or monthly basis how much credit is going from each individual bank into the business sector, and do they have any mechanism for telling Parliament what is happening as regards the flow of funds?

I am grateful for this opportunity to speak. I reiterate that the Government deserve to be congratulated on their judgment and political courage in taking steps to put such a huge sum at the disposal of the financial markets. However, to prevent the recession from extending deeper into the real economy, and to prevent people from losing their homes, or losing their jobs and then their homes, the banks need to behave in the spirit of the Government's requests. I cannot see any sign that they are doing that willingly, and I would welcome answers to my questions.

1.21 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I welcome the debate and the opportunity to consider bank lending, which is very important at the best of times, but particularly so in the current tougher economic circumstances. My hon. Friend the Member for Leeds, East (Mr. Mudie) is absolutely right that we have seen unprecedented turbulent conditions in the world economy in recent weeks, and that the action that we in the UK have taken has been widely copied by

other Governments around the world, who have admired the leadership that the Prime Minister and the Chancellor have provided. They will both be going to Washington to meet the Finance Ministers and heads of national banks of the G20 countries later this week. I was at the meeting last weekend of the same countries' Finance Ministers and central bank governors in Sao Paulo in Brazil. The crisis is a global problem and international collaboration will be key to resolving it.

Here, the Government have a central responsibility to ensure financial stability so that confidence can return to the financial system on which we all depend. We will focus on providing the right conditions and the right framework to support responsible lending at reasonable prices to creditworthy businesses and individuals. The recapitalisation scheme announced in early October has seen £37 billion of public money announced for investment in preference shares in Lloyds TSB, the Royal Bank of Scotland and Halifax Bank of Scotland.

The banks are certainly not getting a free ride. Public money is being lent on commercial terms and taxpayers will be rewarded for the calculated risks that are being taken with their money. The banks have signed up to specific conditions, including on mortgage lending and loans to small and medium-sized enterprises, such as maintaining for the next there years the availability and active marketing of competitively priced lending to home owners and small businesses at 2007 levels. To pick up on a point that my hon. Friend made at the end of his speech, we are putting in place effective monitoring. UK Financial Investments Ltd, which we are setting up, will oversee the implementation of those conditions. Participating banks, as can be seen in the notices on their websites, have committed to publishing an annual report on their small business and mortgage lending so that there is transparency about how banks are supporting SMEs and home owners.

The effects of the global crisis are being felt here. The cash flow of businesses across the country is being hit, and families are finding it hard to locate affordable mortgages. That is the sharp end of the credit crunch. We are taking steps to direct support to those who need it most. Of course, there are good reasons why banks' business models have changed over the past year. Lenders face inaccessible and expensive funding and are having to take steps to strengthen their balance sheets.

Mr. Pelling: Will the Minister give way?

Mr. Timms: Unfortunately I will not be able to give way, but I think that the hon. Gentleman and I will be together in a debate tomorrow, so we might be able to touch on some of those points then.

Individual decisions on offering loans, and on the price of those loans, must remain commercial decisions for lenders. It would be a serious error to require banks to take uneconomic decisions against their judgment of risk and cost. I know that my hon. Friend the Member for Leeds, East, will recognise that that would just store up trouble for the future, so we will not do that. However, he is right that banks are at the heart of our economy and that they need to play their part in helping the UK through these difficult times. Recent cuts in interest rates by the Bank of England should have a positive effect on inter-bank lending and on credit markets more generally. As credit conditions ease, the banks should pass savings on to their customers whenever they can. As my hon. Friend rightly reminded the House, the Chancellor met chief executives of major UK banks to make that clear last week, and there have been some welcome announcements since.

We know that ensuring that there is sufficient access to appropriate credit is vital to enabling SMEs to start up, grow and survive as flourishing businesses. By guaranteeing loans to small businesses, we have encouraged lenders to extend the credit that SMEs need to grow. In the year up to March, more than £200m of lending to SMEs was guaranteed, and in this year's Budget we increased the lending available under the small firms loan guarantee scheme. The total of the outstanding loans to British companies with a turnover of less than £1 million was just over £53 billion in the second quarter of this year, a rise of 12 per cent. on the year before.

This is not just about lenders passing on the cut in the base rate of interest. They fund themselves from a range of sources; some will reflect much of the fall in the base rate, but others will not. For example, deposits from savers and market borrowing are likely to be less affected by the cut.

My hon. Friend is right that repossessions have risen recently. He mentioned Northern Rock, and the reduction in the total size of its mortgage book has contributed to an expected increase in the proportion of the book showing repayment difficulties. In particular, its loan book contains a number of high-loan-to-value "Together" loans, which, as is well established, have a poor repayment record. The company acknowledges that, and I understand that it is investing in its management operations and talking to debt charities to discuss their concerns about its repossessions.

Of course, Northern Rock's mortgage rates, which my hon. Friend mentioned, reflect a key part of its business plan—to pay back its substantial taxpayer loan. It announced in its quarterly trading statement in the middle of last month that it had reduced the amount of loan outstanding to the Government by £15.4 billion. The outstanding amount was £26.9 billion at the end of December, and it has fallen by £15.4 billion—more than half—to £11.5 billion. In that context, and given the desirability of Northern Rock repaying its loan to the Government and the taxpayer, that explains some of what is happening. Since Northern Rock is in receipt of what European law describes as state aid, it needs to operate with various competitive restrictions while it is in public ownership.

We have taken other steps to support home owners who run into difficulties. My hon. Friend asked about the reform of the support for mortgage interest scheme. I think that I am right in saying that the changes that have been announced will take effect at the beginning of the new financial year. They will help people in the first couple of years, after a shorter period of waiting when they start on benefit. We have issued new guidance to the courts to halt court action on repossessions unless alternative options that help the home owner have been fully examined first. I agree with my hon. Friend that repossession must be the very last resort.

School Funding (Devon)

1.30 pm

Mr. Geoffrey Cox (Torridge and West Devon) (Con): I am pleased to have secured this debate on education funding in Torridge and West Devon, and in Devon more widely. It is a subject of considerable concern to many of my constituents. Over the past six months or so I have received an unprecedented number of representations from heads of small rural primary schools, as well as from parents, governors and teachers, about the position that they find themselves in as year by year their budget declines and what they have to do with it increases.

The subject of my speech will be the manner in which the current dedicated schools grant is allocated. In 2007-08, Devon is 144th of 149 local education authorities in that regard. A Devon schoolchild receives £410 less per year than the national average. Pupil numbers are falling: between 2006-07 and 2007-08 they fell by 800, which under the current formula meant a cut of £2.8 million. When I have previously raised the extreme disparity between the amount a Devon schoolchild receives and the national average with the Minister for Schools and Learners, he has replied that the priority of Ministers is deprivation. He says that in Devon there are significantly fewer disadvantaged pupils according to Government criteria. This year 8.5 per cent. of Devon's dedicated schools grant is for disadvantaged pupils, against a national average of 12.1 per cent. That may be true of Devon as a whole, but it is not true of Torridge and West Devon.

The borough of West Devon and the district of Torridge comprise the most disadvantaged areas of the county of Devon. West Devon is one of the most rural and sparsely populated areas of England. Just 0.4 people per hectare live in West Devon, compared with an English average of 3.77 people. Devon county council notes that while the county is perceived as being well below the average in suffering from deprivation, it actually has the fourth lowest average wage in the country. In Torridge and West Devon, we are in the bottom 10 for wages in the entire country. In West Devon the most recent available figures show, for example, that average annual earnings were only [illegible] cent. of the average for England and Wales, a[illegible] Torridge the figure is even lower.

Of the 80 parishes that were studied in a recent Exeter university project, 28 of the most disadvantaged parishes were in Torridge and 13 were in West Devon. That means that more than half of the most deprived rural areas are in my constituency. The indices of deprivation 2007 reveal that the extent of rural deprivation in the area is grim. Ten wards in Torridge and West Devon are among the top third of deprived areas in the country. The parish of Lydford, which is close to my home, is one of the most deprived rural wards in England, 9,231st in the rankings and lower than many deprived urban areas.

Geographical deprivation is a particularly important factor in rural Devon and it has achieved significant notice in the media in recent months. In my constituency we have some of the most geographically deprived wards in the country. England is divided into more than 32,000 areas. In those areas, the wards of Bridestowe, Forest and Milton Ford are in the top 100 most geographically deprived areas in the country, while others such as Walden, Two Rivers and Broadheath are in the top 200. In total, 14 wards of Torridge and West Devon are in the top 500.

Pupils in those circumstances are suffering the effects of a fundamentally misaligned system of grant allocation. The dedicated schools grant is calculated by multiplying the number of school and early years pupils by a standard rate. That rate is based on need as assessed in 2005-06. There are four additional elements: area cost adjustment, sparsity, additional educational need and high-cost pupils. I will come back to those, but the central theme of my remarks is that there has been a fundamental failure to recognise the extra costs of running a high number of smaller schools in large rural areas such as Torridge and West Devon and Devon as a whole. In addition, there has been a substantial rise in the number of children with special educational needs, which is unrecognised.

Over the summer I visited many schools and met heads, teachers, parents and governors. They told me of the gradual erosion of the ability of those excellent schools to provide the education that the children deserve. They told me of the strain on heads, as they take on ever greater teaching responsibilities; of the cost of their strategy and leadership roles; of the suspension of library subscriptions; of the ever more thinly stretched time of teaching assistants; and of reductions in experienced staff.

Some 129 schools in Devon local education authority have 100 pupils or fewer, so 40 per cent. of all schools in Devon have fewer than 100 pupils, and 72 per cent. of those schools are in rural areas. The local education authority has determined that even the smallest schools—those with 53 children or fewer—require a minimum of 2.6 full-time equivalent staff, 500 hours of administration and one mealtime assistant. There are 42 such schools in Devon, which is 13 per cent. of all primary schools, including a dozen in my constituency. The tasks of leadership of smaller schools is in many respects the same as in larger schools. The proliferation—the blizzard—of Government initiatives does not discriminate by pupil numbers and salaries have to reflect that.

Each school, however small, must have a fixed cost regardless of the number of pupils. Tearchernet estimates that primary schools with between 80 and 100 pupils cost 16 per cent. more per pupil. That additional cost, which must grow as the number of pupils gets smaller, is simply not reflected in the current grant. The Minister may argue that those factors are taken into account by the sparsity element. I accept that around £9 million this year is allocated to Devon on account of that factor, but she knows that the current sparsity index relies on data from the 1991 national census. In addition, the cost of smaller schools has almost certainly risen, not least because of the extra responsibilities of which I have spoken.

The other day I heard a story that in the past few years Northumberland received less sparsity allowance than Birmingham. The current sparsity assessment does not reflect an ageing population or the scarcity of children, so we need to look again at how sparsity is assessed. It affects the cost of education in a large rural area in many ways. For example, if one is buying in support services, the support staff who come to provide

those services will have to charge as an overhead the cost of travel to the school. There are a multitude of ways in which sparsity affects the cost of delivering education in a large rural area.

I want the Minister to explain why it is that a Devon schoolchild receives £410 less than the national average. If it is because of deprivation then I hope that I have illustrated that deprivation is as bad in parts of Devon as it is in many urban areas. Yet the smaller schools in those deprived and geographically deprived areas are the ones that are suffering the effects of the crunch on their budgets.

If the sparsity factor is intended to take account of the extra costs of running small schools—fixed costs that cannot be seriously reduced—surely it needs to be reviewed urgently. I know that a review is taking place, but adjustments must be made to reflect the number of small schools and the fact that children may be scarce, although in a county such as Devon, with an ageing population, the population may in fact be growing in certain areas.

The sparsity factor clearly is not doing its job. As I visited schools during the summer, I was told stories by anxious parents who congregated in draughty halls to talk to me. They told me about coming in to maintain the fabric of the building because the school's budget was insufficient. I myself participated in a painting session at Meavy school in West Devon. The governors and I did the work because we could not afford to have somebody else do it—we had to do it ourselves. Parents, governors and teachers are truly worried. As I said, there is an unprecedented level of concern. Sparsity and the cost of running small schools must be reflected in the Government's allocation of grant funding.

Another factor that I would urge the Minister to take into account is the considerable rise in the number of special educational needs children in Devon. In the summer of 2003, SEN children made up 14.4 per cent. of the total school population. By the summer of 2008, it was 20.9 per cent. The Minister may be aware that there has been a significant increase in the number of diagnoses of children who are on the autistic disorder spectrum, yet those vastly increasing numbers are not reflected in the dedicated schools grant. That is largely because the assessment of need was made prior to 2005-06, and the current dedicated schools grant is a spend plus grant. Therefore, all the assessments of need are locked in as of 2005-06.

That is one reason why the disparity exists, but I would be deeply grateful to the Minister if she could explain, although not in the habitual terms of Ministers who recite figures that we all know, how she would respond to an anxious parent or governor, or a strained head teacher, many of whom I have met this year. They are taking on an additional teaching load because they cannot afford to employ an experienced teacher, or even a teacher at all.

The dedication and commitment of such people to primary school education in my constituency is unparalleled. The schools get excellent Ofsted reports, and the parents and governors are deeply committed to them. Such schools support small rural communities, and it is not an exaggeration to say that they are loved. They are an intrinsic part of the community and deliver an excellent education for children, particularly vulnerable children.

How would the Minister explain to those people that, bit by bit, they are experiencing a painful erosion in their ability to do what they want to do for children, and to provide them with the best possible education? Costs mercilessly and remorselessly rise while budgets decline in real terms. The fabric of the buildings is deteriorating. Subscriptions cannot be taken out for the school library. Teachers have to take on extra responsibility. I urge the Minister to provide a real answer to those people through me, because although this debate is not well attended, I know that her words will be attended to most carefully, given the attention to the problem in my constituency and across Devon.

I know about the current review of the dedicated schools grant. One assurance that I seek from the Minister today is that the special value of small rural schools will continue to be recognised. The Government created a presumption against their closure, which I welcomed. I hope that she will be able to say that it will continue—that small schools and the valuable benefit that they represent to communities and children will continue to receive emphasis in the Government's policy making. As well as emphasis and protection, however, small schools need Government support through funding, and that means a realignment of the dedicated schools grant to reflect some of the cost pressures of which I have spoken.

If realignment is not carried out urgently, I gravely fear for the future of many—or certainly some—of the schools in my constituency and across Devon. That would be a catastrophe, because, as I have said, those schools provide an extraordinarily fine education. I should declare an interest: my own son, who was on the mild end of the autistic spectrum, received the most extraordinarily fine education from our local village school. It was caring, and it was provided in a small setting. Those on the autistic spectrum cannot deal with a large group or a big crowd of children. Therefore, in many cases, a small village school is ideal. I would like such education to be fostered and nurtured, and provided for hundreds more children living in the rural areas that I represent.

The expressions of concern that I received this summer were unprecedented. I almost received more requests for meetings than I could cope with from anxious head teachers, parents and governors. I would like education in small schools to be fostered and nurtured, but there is a deep sense of distrust and concern that the current review will not produce a realignment of funding and grant to enable them to prosper. Amalgamations and federations often do not work in dispersed rural areas because of the distance that one has to travel to collaborate. That is a problem with early years as well. If there is a large distance to travel, it is difficult for two or three villages that have to co-operate even to set up such a facility. What they really need is a recognition of the additional costs of such schools.

I am grateful to the Minister for being here. I hope that I shall give her ample time to give my constituents, through me, a real answer. They and I know that education funding has risen. I have seen all the figures, and so have they. We know that in the past five or 10 years education budgets have risen in real terms, but so have costs.

There is a high teaching cost in rural areas. For example, the area cost adjustment does not seem to include any cost adjustment for Devon that reflects the

[Mr. Geoffrey Cox]

higher cost of employing teachers in rural areas. We want to know that the Minister and the Government are looking at the plight of small, often fragile and vulnerable rural communities and not discounting them because they are small. We must recognise that small schools form a crucial part of the education that is offered in this country, and that it is education of which we should be extremely proud.

1.48 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Sarah McCarthy-Fry): I congratulate the hon. and learned Member for Torridge and West Devon (Mr. Cox) on securing the debate. It is possible to tell from his comments that he is deeply involved with the issue and with representing his constituents.

Nothing could be more important than ensuring that every child, in every area, can go to a good school. As the hon. and learned Gentleman said, to achieve that, we have put unprecedented investment into our educational system. Our teachers are the best they have ever been—those are not my words, but the words of Ofsted. More than ever before, children and families are being put at the heart of everything we do, and services for them are at the heart of communities. Through academies and trusts, new school governance models have given local government and schools greater freedom to make the best use of the resources that are available to them to respond to local challenges and best serve the children and families in their area.

Local authorities are more in control of how their funding is allocated, and it is right that they are. It would not be right to impose central solutions to local problems. Local authorities are best placed to understand the needs of their communities and to allocate their funding accordingly.

Nearly £3 billion of funding is provided nationally for deprivation. We are aware that not all of it reaches the schools with the deprived pupils, so we are working with local authorities to ensure that funding provided for deprivation is being targeted to those pupils. The distribution of that funding is left to local discretion and Devon county council has consulted the Department to work out how to move funding in the local formula to such schools.

As the hon. and learned Gentleman pointed out, Devon has received a year-on-year increase in school funding of 12.8 per cent. over the current three-year settlement to ensure that we can continue to build the best possible system for our young people. As he mentioned, we have set the funding for the next three years under the spend plus method, which has two principal advantages. First, every local authority is guaranteed an increase per pupil per year, with an obligation to pass on a minimum guaranteed increase per pupil to schools. Secondly, allocating funding over a three-year trajectory—currently from 2008 to 2011—has successfully given schools and local authorities greater stability and security in their allocations to ensure that they can plan ahead with certainty. Although that inevitably reflects historic patterns of distribution and spending, it has preserved in the baseline the additional funding above the old schools formula spending share, which many local authorities, including Devon, historically provided for their schools. For those reasons, we are confident that the funding levels first set in 2005-06 by the spend plus method have provided the right balance of funding for local authorities across the national picture. In addition, two thirds of respondents to our consultation last spring favoured retaining spend plus rather than switching to an updated version of the old SFSS.

We must strive for excellence in education provision for every child and we must aim for consistently high standards, but it does not follow that funding, service provision or any other measure should be applied in exactly the same way across the country. If we are to close the gaps between the most disadvantaged and the rest, we need to invest in those areas, and those pupils, who need it most.

In 2007, 36 per cent. of young people receiving free school meals achieved 5 A* to C GCSE passes compared with 63 per cent. of their better-off peers. That discrepancy is not acceptable. In the classroom, our teachers provide more intensive support to those pupils who are underachieving than they do to those who are charging ahead under their own steam. That is why we have introduced greater personalisation and flexibility into the curriculum, so that every child's needs are catered for, not just those of the fortunate few. Our funding streams must allow the same flexibility, so that we can target resources where they are most needed, while maintaining a consistent standard of education. With a guaranteed increase in spending per pupil over a long-term trajectory, the spend plus method has helped us to achieve that.

We need to ensure that the system is keeping pace with the change and challenges that local authorities will face in future. We need to start thinking about that now to ensure a thoroughly thought-through system for 2011. That is why we launched a review of school funding in January to create a new formula that will commence directly after the current three-year settlement. The review will take into account a wide variety of views and research to develop a formula which continues to direct funding where it is needed, taking into account local priorities and costs. It will be targeted to raise the achievement of all pupils consistently across the national picture to reflect the changing needs of local areas and to support schools to be fully equipped for 21st-century learning. Priority factors in the review process will be the area cost adjustment, provision for high-cost pupils, special and additional educational needs and sparsity, which I will address later. We are inviting input into that process via the formula review group, which is currently gathering evidence for the review, and we will be opening work up for public consultation in 2010. I strongly encourage our partners in local government and schools, and other interested parties, to contribute to that process. The work of the review group will be available on the Department's Teachernet website.

As the hon. and learned Gentleman has expressed, rural schools in sparsely populated areas remain a significant challenge to the local authority in Devon, and around the rest of the country, in making planning and allocation decisions. As he mentioned, we have recognised that in the current funding formula. In 2007-08, the dedicated schools grant contained almost £188 million of funding for sparsity, of which Devon will receive £9.14 million.

We are determined to protect rural schools, because they are making an invaluable contribution to their local areas. The hon. and learned Gentleman can be confident that the review will take these issues into account. We already recognise the value of rural schools. As he said, earlier this year the Minister for Schools and Learners wrote to local authorities reminding them that we introduced a presumption against closure in 1998. That does not mean that we say that no rural school will ever close, but it is up to local authorities to ensure that the balance is managed properly against the presumption that we will close them.

We want to see surplus places in rural primary schools used to broaden the services that schools offer. Our vision of the 21st-century school offers an opportunity to do that. We also want to see shared governance arrangements between small village schools as a means of addressing financial and educational challenges. Although the hon. and learned Gentleman said that that would not work in Devon, I recall that, at oral questions a few weeks ago, hon. Members who represent Somerset constituencies said that federations were working well in rural schools there.

Our review will reflect our aim to protect rural schools, together with an assessment of the changing costs of rural schools over time. Some local authorities with many rural schools may decide to allocate more funding to their primary provision. That will be a matter for local determination, but as we develop the new funding formula, we will focus on building a strong system so that every school can operate to the best of its abilities to provide the highest possible standard of education to its young people.

In the meantime, as our review progresses, we are providing support to schools and local authorities to help them make the most of their funding and resources. My Department has produced a package of measures, including a day's free consultancy advice for every school, combining educational and financial expertise, and a new interactive website that will serve as a gateway to existing guidance on improving value for money and as an ongoing means of support.

Mr. Cox: I am grateful for what the Minister says, because much of it is of great interest—for example, the review and the invitation to participate in it will be welcomed—but I asked her a specific question and I wonder whether she feels able to answer it. Let us suppose that one of the anxious and strained head teachers from a small rural school—I met many of them over the summer because they wanted to see me—said to her, "Why am I having endlessly to take more teaching responsibility? Why are my teaching assistants ever more stretched? Why can I no longer subscribe to the library? And why must I send out for volunteers to help repaint the school?" Could the Minister answer those questions, because they do not understand why?

Sarah McCarthy-Fry: As I said, on value for money, we are providing support to schools to help them work their way through such questions. There may be new, innovative ways in which they could manage their budget. My Department would be more than willing to help schools to do that.

In the children's plan, we committed ourselves to having a world-class education system for all and to an ambitious target of making this country the best place in the world to grow up. I mentioned our vision for 21st-century schools. We want them to be the best that they can be. We need to develop a funding system that will support that concept.

We are saying to children and young people everywhere, "Your communities, your education, and your future are worth investing in." That is our aim as we take the review forward to the next funding formula for 2011 onwards. I hope that the hon. and learned Gentleman will take the opportunity to get involved in the review. I am sure he will; he has already demonstrated his commitment to his local schools.

Question put and agreed to.

Adjourned accordingly at one minute to Two o'clock.

Westminster Hall

Wednesday 12 November 2008

[MRS. JANET DEAN *in the Chair*]

Housing

Motion made, and Question proposed, That the sitting be now adjourned.—*[Barbara Keeley.]*

9.30 am

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Although it is a pleasure to have an Adjournment debate, it is not a pleasure to talk about problems such as those that we are going to talk about this morning. I support the Government's targets on building 3 million new homes by 2020, but we must try to do something to address the great shortage of houses for social renting, which is all too obvious to any hon. Member who listens, in their surgery, to the tales of woe and despair that are told all too regularly by people desperate for accommodation when there are no houses to rent. Looking at the current situation gives no one any pleasure at all; prices and sales are falling and the number of new homes being built is falling as well.

Because I appreciate that other hon. Members want to speak I shall try to concentrate on three issues: the state of buying and selling in the housing market and what it may be possible to do—if anything—to help that situation; how we can better help people to keep the homes that they have; and what we might be able to do to stimulate the production of more homes for rent.

First, the situation in the housing market is pretty much one of doom and despair. Prices have fallen by 15 per cent. over the past year. Although there are slight variations and different estimates, that is a reasonably accurate average of the various figures produced by different organisations. It is not necessarily enormously bad in terms of the correction in prices over time, although there are some problems for people in negative equity. These things are still limited, but the market is pretty dead. With regard to estate agents, Royal Institution of Chartered Surveyors figures show that there is about one sale per month. The knock-on consequence on the new build industry is clear, and there is talk of perhaps only 100,000 new homes being built next year, which is a long way short of the figure required. The average growth of households is some 240,000 a year, so there is an awful, big gap that will create problems in the longer term. In addition, mortgage funding this year is at about 40 per cent. of what it was last year.

Everyone can see that there is no quick fix to the problems with buying and selling homes. It will, perhaps, be some time before the market stabilises, and until it does, it is likely that buyers will hold on to see whether prices stop falling. Sellers will probably have to be more realistic about the prices that they ask for. There is clearly a problem in respect of mortgages for first-time buyers, which is holding up many buying-and-selling chains, because people are now being asked to find 25 per cent. deposits, rather than 10 per cent. deposits. Until prices have fallen a bit further and lenders can be sure that properties will not get into serious negative equity, we will not see a return to 90 per cent. mortgages at least. People having to find a 10 per cent. deposit is much more realistic. I hope that there will be no return to lending above-value amounts on houses.

There are many initiatives, including the first-time home buyers' initiative, MyChoiceHomeBuy and HomeBuy Direct, and there is a lot of confusion about precisely what people can access and how. There is an issue about people getting comprehensive advice on the market. Will Ministers look at the shared ownership models that are around and look at how easy, or how difficult, it is for people to access them? Shared ownership is an option for people who cannot get anything more than a 75 per cent. mortgage and who do not have the deposit. There is a lot of evidence that mortgage lenders are not recognising that the Government are effectively underwriting part of the buying process in respect of shared ownership and are still asking for too much money from people trying to go down the shared ownership route.

I have to mention one really bad case, which I have passed to officials in the Department for Communities and Local Government for their consideration, and I hope that Ministers will look at it. One of my constituents, Margaret Wilson, came to me with the story of her daughter, who has been trying since July to go down the shared ownership purchase route. It all started okay; she was told that she was eligible for the scheme, so she found a property and arranged a mortgage, but she was then told that the money had run out at Government level. She started again and found another property and was told a second time that the money had run out. Having complained about the arrangements, she was finally told by officials that a little bit of money was left and that, if she proceeded quickly, perhaps the sale could proceed; however, she was also told that she would have to find a little bit more money from the mortgage company than she had initially thought necessary. So she went back to the mortgage company, which then decided to send the matter to its underwriters, because £4,000 extra was required on the mortgage. The underwriters said, "We're sorry, but we can't approve this extra £4,000." She renegotiated a new price with the sellers of the home, in a falling market, got a reduction and returned to the building society, which said, "We're very sorry, but that mortgage product is now off the market and no mortgage is available." She had been trying for four months, having previously been accepted as eligible for a shared ownership purchase, and she is back to square one, with no mortgage and no house to buy. Those sorts of complication need to be addressed if shared ownership is going to be a reality.

Bob Spink (Castle Point) (UKIP): The hon. Gentleman is starting to look for solutions, which I welcome. He has brought an important issue to House, and I congratulate him on doing so. However, he will be aware, as all hon. Members are, that some of our constituents who joined schemes that released small amounts of equity—perhaps £30,000 or £40,000—to them 10 years ago are now having to pay back £120,000, £160,000 or £180,000 to major banks; these are not scams. We have to look carefully at the detail of shared ownership and rent-and-buy schemes to ensure that our constituents are protected, so that they are not given massive repayment costs later on and are not exposed to other such scams.

Mr. Betts: That is a fair point. The regulation needs to be looked at in respect of some of these schemes, particularly equity release schemes. Ministers also need to look at the benefits complications of people in shared ownership: dealing with the rental element and the element of purchase can get complicated when getting into pension credits and housing benefits, for example. That is something else that we need to review to try to ease people down the shared ownership path.

Ministers have taken action in terms of the abolition of stamp duty on less expensive homes. I am sceptical about whether that will really kick-start the market, whether that is a beneficial expenditure of money and even whether the £600 million that has been allocated will be spent. If it is not, will Ministers consider transferring it into something more real, such as building new homes for rent?

Julia Goldsworthy (Falmouth and Camborne) (LD): Specifically on stamp duty, does the hon. Gentleman agree that the Government's prevarication over the summer on whether to make any announcement on changes to stamp duty made matters worse and froze up the market even more?

Mr. Betts: Almost inevitably, people may wait to see what happens when there is any talk about a possible change of policy. That is not particularly a medium or long-term problem. I am just not sure whether the stamp duty holiday has any significant effect, particularly in this depressed market. The money might be better spent on something else.

Although the package of measures to help with building more homes and buying up empty homes was welcome—I will talk about that a bit more in a minute—it came at the expense of taking some money off future budgets for regional development agencies. However, that money will need to be spent helping small businesses in future, so Ministers ought to revise that issue, too.

There is a dilemma. I am not sure whether there is any easy solution to kick-starting the buying and selling of homes. We ought certainly to consider giving people advice about the various alternative home-buying schemes and should try to look at shared ownership. We should also recognise that some people are expressing grave concerns that, when the market bottoms out and starts to recover and demand comes back, after two or three years of low house building, we could see a sharp upward spike in house prices and a return to the old problems that we have had. That is a real issue, and the Government must think about it. They must also think about a problem in two or three years' time. If the industry will be laying people off and not training them, how can it recover to meet the extra demand that will come at some stage in two or three years?

Bob Spink: The hon. Gentleman is talking about homes not being sold. One class of homes that people in my constituency are having difficulty selling is flats where houses have been knocked down and 30 or 40 flats have been built on the site. In some of those blocks, such as those in Long road, Canvey Island, the flats cannot be sold. Does he think the Government should consider how to bring such units into social housing schemes, so that members of the public can buy them? That would help the market and people who need social housing.

Mr. Betts: Yes, I agree, and I shall come to that when I make my third point. There are no quick fixes for the housing market, but there are some big and different problems in the medium and longer term.

My second point is about keeping people in their homes. The Government propose that, from next April, people who are out of work—unfortunately, there will be many more of them in the next few months—will become eligible to have their mortgage payments included in any income support arrangements after three months instead of nine months of unemployment. That is very welcome, and it should help to deal with the flood of repossessions that might otherwise arise.

Another issue is giving better advice and signalling where people can go for advice when they get into difficulties. Clearly, the message must be that they should talk to their lenders and that lenders should consider every solution short of repossession—for example, extending the mortgage period and interest-only mortgages or percentage-of-interest-only mortgages for a short period—to help people through the crisis. Lots of advice is available, particularly from citizens advice bureaux, and from other organisations and advice centres. Local authorities should co-ordinate that and have an access line that people can ring to ask where to obtain advice in these difficult circumstances. The Government could encourage that.

I hope that the Government will take urgent steps to reverse last week's court decision that lenders may secure eviction of home owners after two missed payments without going to court. That judgment is worrying. I am sure that many lenders will not take that route and be responsible and try to work with people to keep them in their homes, going to the courts for a possession order only as a last resort. Last week's decision that people may bypass the courts—there are unscrupulous lenders around who, unfortunately, often lend to the poorest and most vulnerable people—must be reversed to give people greater security. The Government's scheme for keeping people in their homes allows mortgages to be transferred to shared ownership—people may not welcome that immediately, but it would be better than losing their home—and tries to ensure that such arrangements are simple and easy to understand.

My third point concerns social housing. Clearly, a lot of attention has been given to the fall in house prices and the collapse in mortgage lending and to the reduction in the number of new homes being built for sale, but the real pressure, which existed in my constituency even before the problems in the housing market during the past year, is on people who need to rent a home when there are no homes to rent. I shall repeat the figures that I gave during a debate last week. In my constituency last year, Sheffield Homes, which is the arm's length management organisation for social rented housing that covers most of my constituency, let only 12 three-bedroomed houses in the whole constituency to people who were not homeless or demolition priority. That is the scale of the crisis. Every month, I see that number of people in desperate housing need, but only 12 homes a year are available. That is the tip of the iceberg of people who come to see me.

The problem already existed, and the Government had a target of building 50,000 new homes in the next spending review period and 45,000 immediately. The reality is that that target will not be delivered in the

current circumstances. The package of measures that they introduced a few weeks ago included bringing forward the building of 5,000 new homes and the necessary finance. That is welcome and necessary, but it is totally inadequate in current circumstances. Shelter welcomed that package but said that it did not go far enough. We need a significant injection of funds for housing associations and local authorities to build new homes for rent. That would also boost the economy in these difficult times and kick-start it, as well as helping to maintain jobs in the construction industry and providing badly needed new homes.

Housing associations deliver the vast majority of homes for social renting. The National Housing Federation said that the current housing association model will not work in the current broken market. That is a damning statement, but it is true. More than half of new homes were being built under section 106 agreements, but they are not being built now: builders are not building new homes for sale, so they are not building section 106 houses for rent either.

Some housing associations are involved in development, and because the amount of social housing grant is only 40 to 50 per cent. of the cost of a scheme, they often build homes for sale as part of their package of building to cross-subsidise the homes that they are building for rent. As they cannot obtain the finance to build homes for sale, given that the wholesale market has dried up and people are not lending to them because they are worried about their ability to sell on those homes, they cannot build houses to rent either. Private developers are slowing down the building of section 106 homes, and housing associations are also having to slow down. That is a real problem for the provision of social housing to rent.

Andrew George (St. Ives) (LD): At the start of his speech, the hon. Gentleman announced that he supported the Government's target of 3 million homes by 2020. Does he agree that there is a worry that they may be confusing means with ends and that simply building 3 million homes in the belief that that will solve the problem is the means to the end? Surely, the end is to meet housing need, and in the current climate, it would be better to ensure that the houses that are needed are built, especially if the private sector cannot deliver housing in the present climate.

Mr. Betts: I agree. The Government's estimates were widely recognised as being a step forward in thinking. They had analysed the growth in the number of households and matched that with the number of houses that needed to be built. Most people welcomed their commitment of 3 million new homes by 2020, and 50,000 homes a year to rent. One may argue whether that should be higher, but at least we are on the right track. The reality is that the figures have been blown considerably off course by the current problems. Demand for social rented housing is as high as it was, and the 50,000 target, at least, must be reached, but it looks as though we are going backwards because of the problems that I have identified. In addition, many people who would have tried to buy their homes but cannot do so, because of the problems in the mortgage market, are also having to rent, and demand for rented housing is probably higher than expected. There is increased demand for rented housing and the possibility of supply being reduced. That is a challenge for the Government.

I am looking for a step change in thinking. It may not come today, because the Minister may not have his brief to announce it, but I hope that when he considers his package of economic stimuli during the next week he will agree that the house-building industry, and particularly building houses for rent, is an essential element of that package. I want to press for that, and I hope that other hon. Members will do so.

Andrew George: In Cornwall, where I come from, housing supply doubled in 40 years, but housing problems for local people became worse. It is one of the fastest-growing places in the UK. Simply building houses, which is what the Government intend to do with 3 million homes by 2020, may meet a target, but it will not necessarily address the need. Cornwall is a classic example of where an obsession with numbers does not address the issue.

Mr. Betts: I may have a slight difference of opinion, because I think numbers are important, although I accept—we had this discussion in the Select Committee on Communities and Local Government—that lots of flats are being built in city centres, as in my constituency. I am against that, because we are desperately short of family homes, particularly homes to rent, and that is what we should concentrate on here and now. The Local Government Association says that one in 10 people are on housing waiting lists in some areas. I accept that not everyone on a waiting list is in immediate need of housing, but many are, and we must try to deal with the problem.

The hon. Member for Castle Point (Bob Spink) referred to local authorities and housing associations being able to buy houses, and the Government made finance available in their package in September. That was welcome, but it is probably not sufficient. Schemes in my constituency have come to a standstill, and the next phase is not going ahead. Lots of houses have already been built and are standing empty, and many people who want homes are on a waiting list. With more finance, the Government could put the two together and quickly deal with the urgent housing need.

The Government ought to tell local authorities that they have a responsibility to co-ordinate this action and to look at the building of new homes, that they need to consider purchasing homes that are lying empty in the private market and that they must work with their housing associations and consider, with the advice centres and citizens advice bureaux, what advice should be given to people who are having housing difficulties in relation to paying their mortgage. Local government has a responsibility to pull together packages locally. I hope that the Government will take the initiative and ask local authorities to step up to the mark and introduce plans on how they will address local housing issues in their areas.

Mr. Stewart Jackson (Peterborough) (Con): Given the Government's current review of the housing revenue account, what advice would the hon. Gentleman give the Minister and others on the use of capital receipts in respect of the sale of properties?

Mr. Betts: Obviously, there will not be a review of the housing revenue accounts system in time for the Chancellor's announcement of a package of proposals next week. We have been told that the review will take place in the

[Mr. Betts]

middle of next year. I entirely agree with the hon. Gentleman. The issues that I hope will fundamentally be addressed are how rents are fixed centrally and the inability of organisations—housing associations and particularly ALMOs—to plan ahead because they do not know what the subsidy will be in the next two or three years. The problem of not being able to use capital receipts locally also needs to be dealt with. In relation to social rented housing, there is a real problem with the housing revenue account system, which is like an albatross around the neck of future development. I hope that that issue will be tackled, although I think that the reality is that we will not receive a response from the review until the middle of next year.

Other hon. Members want to contribute, so I will conclude my remarks. I have tried to indicate that there are probably no quick fixes to the current problems with buying and selling homes. One or two things could be done—for example, improving shared ownership. Future problems include a potential spike in house prices and a lack of building that will lead to a lack of training and a shortage of workers. The Government need to think about those matters. Things can be done to keep people in their homes and the Government have acted on some of them, but more can be done—for example, by co-ordinating advice locally. Money should be put into the building of houses for rent in the current market if we are to avoid a decline in those numbers at this time of great pressure.

In some ways, it is opportune that the new Homes and Communities Agency comes into being next month. The agency probably would not have picked this time to come into being, but we should strongly welcome the fact that that is happening now. The agency will be able to co-ordinate local authority action, and I know that Sir Bob Kerslake, the chief executive, believes that tackling this issue is about not central delivery, but delivery through local authorities. I certainly welcome that. I hope that the agency will have an enhanced budget to enable it to work with local authorities and housing associations to build extra homes. At a time when land prices are falling, it might well be that some of that money could initially be put into land purchase. If the public sector were to buy up land for future schemes, that would be welcome and could be done to anticipate future needs when the industry is in better health.

The agency could also consider the co-ordination of advice through local authorities and others to help people who have a particular housing need. The Homes and Communities Agency has a massive task, and it is opportune that it is about to come into being. I am certainly looking forward to hearing its proposals and seeing how it will react. I want the agency to work through local authorities, as they have a key role to play. However, in the end, neither the agency nor local authorities and housing associations will be able to deliver unless the Government step up to the mark now and provide substantial extra funding. That will not only kick-start jobs and building in the industry but ensure that we address the fundamental problem of a massive shortage of houses to rent, which, in the current circumstances, will only get worse.

Mrs. Janet Dean (in the Chair): I believe that four Members want to speak. I intend to call the Front-Bench spokespeople at 10.30 am, so there should be ample time.

9.54 am

Paddy Tipping (Sherwood) (Lab): I am delighted to follow my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) in this important and timely debate. I agree with the third point he made: it is vital that hard-working families and people have the opportunity to get decent affordable rented housing. He is right to say that for that to happen we need to ensure that housing associations and local authorities have extra resources, so that they can tackle the job. In my area, Ashfield Homes has as many people on the waiting list as there are houses available. That is the scale of the problem.

I shall follow a different tack from my hon. Friend and talk about the housing element of the east midlands spatial strategy and the effect of the present economic crisis on that. The Minister will know that consultation on the spatial strategy finished on 17 October, but I hope that he will take my speech as a late submission. He will perhaps know that on 17 October, the East Midlands regional assembly announced a partial review of the spatial strategy—a strategy that is not yet agreed. If the planning framework is already changing and in doubt, what does that mean for long-term planning?

The central issue of the regional strategy is housing, which has been a contentious matter in Nottinghamshire. In the housing core area in Nottingham—basically, the Greater Nottingham area—the expectation is that 70,000 new houses will be built by 2026. Earlier this year, local authorities produced a sustainable urban extension study, which considered possible sites in greenfield and green belt areas. That caused widespread alarm. There is a perception in Nottingham that green belt and greenfield sites will be eaten up. Importantly, last Monday, local authorities published a second study, which has the even grander name of the strategic housing land availability assessment and which considers areas to be developed within the urban area. The current position is that roughly half the houses needed could be developed on what might be called brownfield sites in the urban area, and half on green belt and greenfield sites.

The essential question, which has already been mentioned in the debate, is, what kind of houses are to be built and where will they be placed? My anxiety arises from the fact that the market as it has operated in the past has delivered what I call executive homes: five-bedroomed homes with two cars on the drive on greenfield sites. What drives the market is the unfortunate fact that more and more families split up and require two homes instead of one; in addition, all of us are living longer. Now, instead of widespread erosion of the green belt, we need smaller, sustainable homes that are closer to town centres and have good transport links.

I am concerned that the East Midlands regional assembly now says that it intends to revise the housing estimates and that it considers the Prime Minister's pledge to build 3 million homes by 2020 to be important. The demand to consider having more homes on greenfield and green belt sites will be irresistible. I simply say to the Minister that such houses are not needed for ordinary hard-working people. There are plenty of new flats in

the city of Nottingham—the place is awash with flats that cannot be sold—but it is essential to have some family housing to give hope to children for their future. I want us to move forward quickly and have a planning system and a regional spatial strategy that have that principle at their core. Investment should be made in brownfield sites before greenfield.

The Government have a good record. They have exceeded their 60 per cent. target in the east midlands and have roughly achieved the figure of 75 per cent. We need more, but it will progressively become more difficult.

Mr. John Leech (Manchester, Withington) (LD): The hon. Gentleman makes some valid points. Is not one of the problems that brownfield sites often lend themselves to big developments of flats, rather than family homes? Home builders need to be more innovative in how they develop sites, so that they build family properties within a development of flats, rather than coming up with just one or two-bedroomed flats on brownfield sites and the big five-bedroomed houses on greenfield sites as the hon. Gentleman.

Paddy Tipping: The hon. Gentleman is right, and the point that he makes was pursued by my hon. Friend the Member for Sheffield, Attercliffe. We need mechanisms to ensure that the market and the way we intervene in it deliver the answer to housing need, rather than the solution that brings profit to house builders. Unfortunately, up to this point, we have not been able to achieve that.

My plea to the Minister is this. He will now receive the results of the consultation on the east midlands regional spatial strategy. I hope that he will examine closely the housing element of it and that he will make it his strong and firm policy that what is important is smaller, sustainable homes near urban areas, rather than wholesale erosion of the green belt.

There is talk of an eco-town in Nottinghamshire on the site of RAF Newton. The present proposal is, to put it in professional terms, absolutely bonkers, but RAF Newton is a site with potential—potential for a smaller community, not the large scheme planned at the moment. With imagination, good planning and good design, a scheme could be developed on that site. I hope that the Minister will assure us again that if houses are built there, they will count against the housing numbers in the regional strategy. What it is important to get from this debate, from Government policy and from the autumn statement when it comes in the next few days, is a set of measures to ensure that there is hope for people in desperate need of housing. That can be provided only through greater involvement and greater intervention by the public sector.

10.2 am

Matthew Taylor (Truro and St. Austell) (LD): I shall concentrate on specific measures that could help to resolve the problems that have been so well set out by those who have already spoken. As the Minister knows, I was asked to report to the Government on rural housing need. The report was produced in July, and I am glad to say that it received a lot of support from the Government. We now await a response. I will not go through the 48 recommendations, not least because many of them are for the longer term, but also because we do not have time to do so. I shall concentrate today on more immediate measures.

When the report was being drawn up, we were already seeing the beginnings of the current economic problems. The background, which I discussed in the report, is that housing need does not go away because house builders are no longer building houses. The fact that people cannot get mortgages to buy and that, at a time of falling house prices, people are unwilling to buy because they think that properties might be cheaper next week than they are this, does not alter the increase in household numbers and family break-ups, the fact that people are living longer, the fact that people are more likely to want to live alone, for a variety of reasons, or the fact that people aspire to a home of their own.

All that pressure, which led the Government to their target of 3 million homes—whether it is right or wrong, we are still talking about a lot more housing need over the coming years—is not going away. What happens in a recession and what is happening now is that our ability to solve the problems and provide solutions is eroded because house builders will not build. That has a knock-on consequence, which we have heard about, for housing associations, because the majority of affordable housing being built is on the back of private sector development. A massive loss of affordable housing provision is now starting to hit because new developments are not being started and even existing developments are not being completed. At the same time, people are less able, because of rising unemployment, to afford homes, so there is greater pressure on the affordable housing sector. There is more need for affordable housing.

Dealing with the problems that I have described is difficult in the short term. In the long term, we may be creating an even bigger problem, because as we come out of the current situation and people start to be able to buy, the houses will not be there for them to buy. That may ratchet up prices and we may go back into the same cycle. I know that Ministers are aware of that.

As there is not much time, I shall run through my four suggestions as quickly as I can. The first is obvious and I know that Ministers are considering it. The more the funding programme over the current spending round can be brought forward so that, in particular, the Homes and Communities Agency and current projects can forward-spend now on affordable housing projects, the better, partly because that helps to fill the hole in planned affordable housing delivered through private sector development and partly because it is counter-cyclical spending. I think that Ministers understand that. If more money can be found, that will be even more welcome, but even in terms of the funds that have already been allocated, bringing forward spending is important. Nevertheless, it is important that people think long term and not just short term with that housing development. The measure is not just an economic solution and a fiscal stimulus; it is about the housing provision needed in the long term.

I agree with the hon. Member for Sheffield, Attercliffe (Mr. Betts) that there are an awful lot of flats in cities that cannot be sold by the private sector. However, to put it bluntly, they probably could not be sold by the private sector even if we were not in a recession, because there has been massive over-provision. Although the Government acquiring large numbers of one-bedroomed flats in the middle of cities may appear to be an easy solution, that would not meet the priority housing need of families. The last thing they need is a cheaply built

[Matthew Taylor]

flat in the centre of town that was not even built to affordable home standards in terms of space, with no garden and so on. We need more family homes. To divert money into bailing out the private sector to too great an extent would simply saddle the state with undesirable city-centre flats that have not been built to the standards of affordable homes, that are not as well insulated, that do not have the space and that, in the end, could provide the state with the next generation of slum housing, particularly if it is all affordable housing so that whole blocks of flats are built up. There may be room for some within it.

Mr. Betts: I take the point that the hon. Gentleman is making. We are desperately short of family houses and buying up flats in city centres would not necessarily be a solution to all the problems, but certainly I see many couples, for example, who just want a home. If they knew that the allocations policies were such that, by going into one of the flats that the local authority has bought in the city centre, they might have a chance, probably in a year or two years' time, of moving on and they would not be pushed down the waiting list because they had accepted that flat in the first place, there might be some room for buying such flats to help some people on the list.

Matthew Taylor: There is room for buying some. I simply sound a note of caution about how far that policy is taken. There was another point in the hon. Gentleman's comments, to which I shall return at the end, about how more flexible approaches might be taken.

It is important that the estates we build are mixed. The lessons of the past are that, in the long run, large rented estates create problems of their own, however well they may have been built in the first instance. The developments should contain both rented properties and properties that are affordable to buy. Where appropriate, it would be great to have some private sector housing in that mix, too, but that may be more problematic at the moment.

That brings me to a core point, where I think the Government have a role. There is now clear evidence that part of the squeeze on the mortgage sector is squeezing out part-buy affordable housing and, indeed, affordable housing where people buy, under a section 106 deal, the freehold but at a capped price that is affordable to local people. In both cases, there seems to be evidence that the mortgage companies, only a small number of which were willing to provide mortgages in those circumstances anyway, are in effect pulling out of providing mortgages at all. They have not announced that; the policy is not official, but it seems to be happening.

That is reflected in housing associations now being unwilling to build part-ownership properties and in part-ownership properties being transferred over to the rented sector because people are not coming forward to buy them. There are a number of housing estates in my constituency—estates being built by housing associations or in the development phase and estates that have already been built—where the part-ownership properties have been transferred over to rent because the mortgages are not available. I cannot emphasise enough to the Minister the fact that that is not because they are not desired or needed; it is happening because people cannot get a mortgage on them. There is a clear role for the Government in helping those individuals, which will be of both short-term and long-term benefit. In the short term it will help people to buy those properties, and in the long term it will help to ensure that estates remain mixed and have people with a range of needs and social backgrounds, rather than becoming purely more traditional tenanted estates, with some of the long-term problems that that can cause.

The Government have a role to play. Given their current interest in and talks with the banks, perhaps they will be able to put together a package that deals with mortgage availability. In addition, I remember not so long ago when councils provided mortgages. Perhaps we should think about that again for those types of property. That could be done together with lenders, and might reduce some of the risks they fear. Ironically, such properties are relatively low risk. The demand for low-cost home ownership packages remains even when the market falls. The value of those properties is unlikely to fall much, especially if it is linked to local wage levels rather than local house prices.

Thirdly, the report argues for a long-term planning process to create sustainable communities and new neighbourhoods. That should include a mix of housing, work opportunities and leisure facilities, not just estate-by-estate development. With the break in the market, more available land and a fall in the level of development, we have an opportunity to ensure that the next generation of development will create sustainable communities, community extensions and new neighbourhoods. Throughout the '80s and '90s we simply saw places doughnutted by estates.

Sustainable developments have the advantage of being properly planned. They involve a partnership between long-term investors and local authorities, with the result that the developments have greater stability. Of course, in a downturn that might fall back, but it will not be lost altogether as it is part of a longer-term scheme. The current fluctuation gives us the opportunity to pull into that long-term planning.

I raised this final point during a debate on the economy last week, and I would like to elaborate on it slightly now. At the moment, the Government are pushing councils to reduce the use of temporary housing. I have never been much in favour of people living in temporary housing. In my part of the world, that usually means bed and breakfast—not the sort of bed and breakfast where one might go on holiday, but houses in multiple occupation where people are kicked out during the day. Young families, people with children or single parents often do not have a base during the day, and I have always been against that kind of temporary accommodation.

The shortage of affordable housing has meant that councils have been taking long leases on private sector properties to provide what is classed as temporary accommodation, but which often provides good-quality accommodation for a year or two. The accommodation is in someone's house, but for one reason or another the owner does not occupy it so it can be let to the local authority. The local authority provides guarantees on rent and on the condition in which the house will be handed back to the original owner. The process is

therefore relatively risk-free for owners and supplies them with a guaranteed income stream, while providing housing for the kind of people to whom the private sector—for all sorts of reasons—is often unwilling to rent, but who are nevertheless in housing need.

Current policy presses councils to decrease their use of that system, but in the current circumstances, many houses are coming on to the market for rent because people cannot sell them. In addition, the number of people going on to the housing registers is likely to increase because of the economic circumstances. It would therefore make sense to take on those unsold houses or flats, not necessarily by buying them but by using that kind of lease. Encouraging councils to do that would be helpful. It would reduce the flood of unsold houses on to estate agents' books and would meet immediate housing needs, without requiring the Government to take on the capital asset of properties that might not be appropriate for a long-term base of affordable housing.

10.13 am

Mr. Austin Mitchell (Great Grimsby) (Lab): I congratulate my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) on securing the debate and on his brilliant speech. I agree wholeheartedly with the arguments that he made.

The housing situation today contrasts sadly with the high hopes of last year, when I composed my famous lines, "Bliss was it in that dawn to be alive, but to be MP for Hartlepool was very heaven." We had hopes of a big building drive, a Minister in the Cabinet to push it forward and councils that were allowed to build. What has happened since? We have been through three Housing Ministers and the target of 3 million new houses by 2020—not enough, according to calculations by Shelter—has been demoted to an aspiration. Building is falling of a cliff and new starts are down dramatically. Private builders are not building because they are going bust and housing associations do not build as they, too, have been hit by the credit squeeze. They now face the problem that right-to-buy sales are drying up and revenue is not coming in. The buy-to-let market has collapsed along with the collapse of its main financier, Bradford & Bingley building society, and despite all the promises, councils have still not been allowed to build effectively.

To add insult to injury, the guide rent increase for this year and next is 6 per cent. on council rents. That is above the rate of inflation and well above the historic cost average of previous rent increases. That is monstrous. The Government are draining huge sums out of housing revenue accounts, and with the rent increase, those sums will get bigger. That money should go to housing, not to the Government. The second addition of insult to injury is the scheme floated in *The Times* on Monday. It is the insane idea of turning council housing into the ghetto of last resort. It suggested that secure tenancies would end, tenancies would be reviewed, and if people were somehow not worthy of the fatherland, or employment or whatever, they would be booted out to make room for people on the waiting list. We should make room for people on the waiting list only by building more houses, not by booting out existing tenants. It is a ludicrous scheme and I hope that my hon. Friend the Minister will wholeheartedly disavow it.

We will not get anywhere near the build targets that we need over the next crucial two years in the developing situation. We are meeting on a cold November day in the grip of a gathering recession, and the best answer to recession is to build. What can be built most quickly? Houses. They are not huge railway projects on the east coast line, or Crossrail—those things take years to organise and build, but houses can be built quickly. In the 1930s, house building was the major answer to a depression, perhaps even more important than the rearmament programme. The building of those estates put people back to work and solved the immediate problem.

The immediate problem now is that we need public housing to rent for those who cannot afford to get on the ladder, and for the increasing number of people who will be thrown out in repossessions over the coming year as negative equity grips the market. That public housing could come from housing associations—social housing—but it should also come from councils. In the Government's rush to encourage ownership, there is one aspect of economics that we have not understood. We can have ownership, but unless we build public housing for rent pari passu with private build, the cost of private building goes up faster than it would otherwise. Other European countries, where there is a far higher proportion of rented housing, have not seen the insane price escalation that has taken place in this country.

We must also build housing for rent to provide for those who cannot get on the housing ladder. Otherwise, people get on to the housing ladder when they cannot quite make it. That is the sub-prime crisis in this country. Unless we build public houses for rent, people will be pushed into ownership when they cannot sustain it. That is what has been happening. We must build private and public houses pari passu.

It is crucial that we have a big building programme. Who can do that? As my hon. Friend the Member for Sheffield, Attercliffe said, it could be done by the housing association and we could improvise in all sorts of ways involving local housing companies. I am not keen on that, but it is an innovation and should be tried. Mainly, however, the move must come from local authorities and council house building. They can supply what is needed, provided that we finance them to come back into building.

That can be done in one of two ways. One is by letting local authorities keep their own money. Instead of Government draining £1.5 billion every year from housing revenue accounts for their own purposes, we could let local authorities keep those funds. We could let them borrow by paying adequate management and maintenance grants—which are 40 per cent. underfunded—so that they can borrow on a stream of revenue. We could do that.

The Government are reviewing council housing finance, but that will take until next year, and it will not be implemented until 2010. What is going to happen in 2010? There will be an election. We will have made ourselves odious in housing estates around the country but we are not doing anything about the predicament. Unless we take action by building council houses and regenerating the estates, the Government will have failed.

Mr. Betts: My hon. Friend is a long-standing champion of local authorities being allowed to build new homes. His argument was certainly political in the past, but does he agree that this is now also a pragmatic issue? We

[Mr. Betts]

have talked about housing associations. Some may be able to respond if extra funds come in, but in the current circumstances some may not. Housing companies may be a possibility, but it is technically difficult to set them up and they are not an immediate answer. The pilots and the arm's length management organisations will produce only a handful of properties. Allowing local authorities to borrow and use their resources is now the key to unlocking the problem.

Mr. Mitchell: May I say how happy I am to find myself in total agreement with my hon. Friend? What he says is exactly right. We should finance councils properly. We can take less from their housing revenue accounts—the fourth option—or pay a direct development grant for councils to build, which would not be all that expensive.

Councils need to be lured back into building. Only they can put private builders back to work, with contracts to build council housing. That is what is needed. We have a waiting list of 1.6 million who will never get a house. We have a huge waiting list in Grimsby and north-east Lincolnshire. Those people are not going to get anywhere because we are not building houses for them to move into. We should put the councils in a financial position to start building and let them trigger a building boom. Frankly, the only solution to our current difficulties is to build, build, and build again.

10.21 am

Martin Horwood (Cheltenham) (LD): I shall try to keep within the time limit, Mrs. Dean, although I shall have to skip some of the arguments that I wished to expand on. However, I agree with much of what has been said, so that should be relatively easy.

We are clearly in a market downturn for housing, but I hope that it will be seen, at least in part, as a market correction. I hope that we will never again see a return to the ludicrous housing market that we have experienced over the past 10 years. Insane multiples of people's salaries were being offered for mortgages, and people were targeted by the sub-prime market on the conscious and frankly immoral understanding that they could not afford to repay the loans that were being offered—and in which a 25 per cent. deposit was regarded as ludicrously large.

I slightly take issue with the hon. Member for Sheffield, Attercliffe (Mr. Betts), although I generally agree with him. Many years ago, when I first tried to get on the housing property ladder, the 90 per cent. mortgage was almost unheard of. Increasing multiples and increasing lending have fuelled house price inflation to a great degree. House price inflation has been based, at least in part, on spiralling personal debt. Indeed, my hon. Friend the Member for Twickenham (Dr. Cable) often pointed that out at the time.

The Select Committee on the Office of the Deputy Prime Minister, of which the hon. Gentleman and I were both members several years ago, made that point when considering the supply of land for housing:

"Many witnesses pointed to the complexity of the housing market. There are many factors, other than supply, which affect affordability of housing. It is important for the Government to avoid an over-simplistic reliance on one policy and to examine a range of strategies which might influence demand."

It went on to say:

"The particular nature of the housing market means a simple supply and demand model cannot be applied to the housing market. With the multitude of factors affecting house prices it is very difficult to support an increase in housing supply simply on the basis of improving affordability."

That, of course, was the question that was asked of Kate Barker. She was asked not to consider housing need as such, but to tell us how much of an increase in supply would be needed to affect affordability. She probably gave a legitimate answer, but the question was wrong and rather dangerous.

I draw the Minister's attention to an article written by Merryn Somerset Webb, the editor-in-chief of *Money Week*, only the other week. He wrote:

"It is true that Brown's targets will not be met, but that doesn't mean that the shortage of supply is getting worse—mainly because there was no shortage of supply in the first place."

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): What tosh!

Martin Horwood: I am sorry, but the Select Committee report—the hon. Member for Sheffield, Attercliffe will remember this—pointed out on the first page the fact that there were more homes than households. That is still true today. The problems to which hon. Members have referred are to do with localised patterns of supply and demand, and the differing balance of various kinds of housing. They are absolutely right. The lack of social housing and affordable housing is chronic, and the imbalance between family homes and flats is a problem. However, there has not been a lack of supply overall.

Merryn Somerset Webb continued:

"If there weren't enough houses in the UK, why would Paddington Basin—home to hundreds of new build flats—be pitch black at night? Why would the centres of Leeds and Manchester be jammed with empty and utterly unlettable, let alone unsaleable flats? And how would the FT magazine have managed to find several almost entirely empty housing estates to base a cover story on last weekend?"

The Empty Homes Agency estimates that Britain has 840,000 empty homes. Even the Federation of Master Builders—one would have thought that it had a vested interest in continuing the myth of a lack of supply—puts the number of empty houses in the UK at around 700,000.

Mr. Betts: Will the hon. Gentleman give way?

Martin Horwood: I am terribly sorry; I really do not have time, otherwise I would do so.

Even if we question some of the statements about supply, as some hon. Members might, serious social and environmental consequences will result from the Government's strategy. One of them has been alluded to this morning.

About 8,100 new homes are planned for the urban area in my constituency. That plan is supported by almost all parties. If 40 per cent. of those houses were for social housing—I tend to agree with the hon. Member for Great Grimsby (Mr. Mitchell) that they should be overwhelmingly social housing for rent—every person on Cheltenham's housing waiting list would have a home. The trouble is that that is not the total number. The regional spatial strategy pushes the number up to 13,800. As a result, 5,000 will have to be built on the

green belt to the north of Cheltenham and 1,300 on the greenfield sites to the south. The consequences of that are clear for the wider housing market and for areas of housing deprivation and areas in need of regeneration.

Professor Ian Cole, who may be from the constituency of the hon. Member for Sheffield, Attercliffe, gave evidence to the ODPM Committee all those years ago. He said that

"it would be entirely misleading to view this in terms of 'the North' catching up 'the South': the disparities are still intense. The Barker recommendations, focused on easing supply constraints in high demand areas"—

like those in my constituency—

"would simply intensify these differences, with acute difficulties for labour mobility, the revival of vulnerable local markets and the capacity of the construction industry."

The West Midlands regional assembly made the same point in evidence. It said that focusing growth on areas that are already affluent, already growing and already prosperous undermines attempts at urban regeneration.

Focusing on supply is a problem because, as a result, we ignore the real issue—the chronic lack of social housing. Historically, house building numbers decreased not because of the private sector, which was relatively consistent over the decades, but because of the collapse after Mrs. Thatcher's intervention and the resulting inability of councils and other social landlords to buy and build social housing for rent. That needs to be tackled urgently. I entirely agree with other hon. Members on that point.

The environmental consequences are serious. I have considered the matter mainly from a constituency perspective. A huge proportion of our green belt is about to be bulldozed by developers. Of course, the developers are not considering the brownfield sites but are heading first for the greenfield sites. We are fighting one planning appeal after another, all on greenfield sites. The developers are not considering brownfield sites at all.

The Environmental Audit Committee's recent report highlighted the acute risk that in this sort of market greedy developers will develop the greenfield sites first. That is happening. There is no shortage of enthusiasm among developers for providing houses around my constituency, but they are all on greenfield sites. The risk is acute. However, the Campaign to Protect Rural England says that the problem is nationwide. It estimates from the various regional spatial strategies that 27,000 hectares of greenfield land are under imminent threat. That is an area the size of Birmingham.

We should consider the climate change consequences of such a new build—developing an average new build house probably results in at least three to four times the carbon footprint of converting an existing property. We should also consider the loss of agricultural land and greenfield areas, which are loved and valued by, and good for, local people. Mind's "Ecotherapy" report and reports by the Countryside Agency and others emphasise how important green spaces are to people. It all adds up to an environmental catastrophe. The Government have the power to reconsider the sequential test. Even if we agree that we need these houses, at the very least we should develop brownfield sites first and greenfield sites last. That way we will avoid many of the social and environmental consequences of current housing policies.

10.30 am

Julia Goldsworthy (Falmouth and Camborne) (LD): I, too, congratulate the hon. Member for Sheffield, Attercliffe (Mr. Betts) on securing this important debate. The fact that so many hon. Members focused on the lack of social housing underlines where the heart of the problem lies. More generally, however, the housing market is unfortunately in the middle of a perfect storm: falling house prices, a market downturn, and supply and affordability crises. Those are the difficult issues that we must unravel. The problem cannot be solved by focusing purely on social housing, because so much of the housing market interrelates. I am concerned that the Government's primary focus has remained on private sector housing to buy, but no real attempt has been made to boost the supply of affordable housing to rent. Dealing with that will be critical to dealing with the wider problems.

Of course, the private sector is important, but it is in a freeze at the moment. Some of the Government's actions do not seem to have helped matters. As has been mentioned, we have had the stamp duty holiday, which has made matters worse over the summer. Constituents of mine have had their exchanges fall through because the buyers have said, "There's no way I'm going through with this when there could be an imminent announcement of a stamp duty holiday." I have also received anecdotal evidence that home information packs are causing real problems. Some of my constituents are not putting their properties on the market. They are worried that they will not sell their properties and that they will simply be throwing away a few hundred pounds, because they will have to take them off the market. Although some estate agents have offered to cover those costs, that is only on condition of sale. Has such anecdotal evidence been gathered nationally to assess the impact of that uncertainty?

The Government's response remains focused on shared ownership schemes, which are proving difficult. Constituents have come to me because they have found it difficult to negotiate their way around the first-time buyer and shared ownership schemes. In my constituency, where house prices are incredibly high and incomes very low, many people have failed to qualify. The emphasis has been on helping public sector workers, but such workers in Cornwall are relatively well paid. People on very low incomes, on the other hand, have gone through the rigmarole of being told that they are entitled, only to find out at the last minute that they are not.

Hon. Gentlemen are right that the key problem is that, effectively, lenders are withdrawing from the market and viewing the schemes as 100 per cent. mortgages, but there is no such thing anymore. They simply are not being offered. Rather than simply re-announcing investment available to those schemes, the Government need to take a long, hard look at whether they are helping people who want to buy in areas where affordability is in crisis. In Cornwall and elsewhere, buying a home remains completely out of reach. The Government need to bear in mind that informal withdrawal from the market. Simply saying, "The money is there," does not mean that people will take up the schemes.

Let us consider the knock-on effect. In the past few years, many people have overstretched themselves massively. It is important to ensure that steps are in place to protect them, as they face difficulties repaying their mortgages. The recent court case that found that

[Julia Goldsworthy]

repossession orders after two missed payments were justified was very worrying. Do we need to give guidance to courts saying that repossession should be a last resort, or do we need primary legislation and regulation? What can we do to make it clearer that mortgage terms can be renegotiated to prevent people from having their houses repossessed?

What are the Government doing to regulate sale and leaseback, which is a resort that people often look to, but which they do not really understand? It is not properly regulated and could leave people in an even worse situation. What are the Government doing to develop schemes to staircase down? The focus remains on helping people to staircase up into home ownership, but there is no clarity about what can be done to help people to staircase down, which provides amazing opportunities for registered social landlords to pepper-pot, to prevent people from losing their homes and to increase the supply of affordable rented housing. What can the Minister do to drive forward that agenda?

My other concern about those who face such difficulties is the differing regional impact. A colleague told me that repossessions in Kingston are down. We expect the trend to be upwards, but that problem does yet not appear to be feeding through, which is surprising given that so much of the slump is focusing on the financial services sector. We would expect the London area to be hardest hit, but of course we are talking about people with relatively higher incomes and bigger reserves to fall back on. Perhaps the bump will come later. In Cornwall, however, we see quite a lot of distressed home owners and repossession orders in the courts. What is the Minister's understanding of the regional impact?

What advice is available to people in difficulty? Demand is far outstripping the supply of support. Forty per cent. of citizens advice bureaux calls go unanswered, because they cannot cope with the number of people asking for help, although that is not just on housing matters—perhaps on rent arrears and so on. However, what can the Government do to ensure a clear route for those in financial difficulty, so that they can receive the necessary support and advice? So much remains dependent on the voluntary and charitable sector. It was struggling to deal with numbers before, but things look like getting worse.

Matthew Taylor: There is a massive crisis in CABs—at least in rural communities, although I cannot speak for urban areas—especially in recruitment and funding. I hope that Ministers will consider that, because at the time when CABs are most needed, they are most threatened.

Julia Goldsworthy: My hon. Friend underlines my point.

The concern is that events in the mortgage market are having a knock-on effect in the social and private rented markets. Some of the most distressed selling is in the buy-to-let market. Again, there is more uncertainty in private rented tenancies. Are the Government monitoring repossessions on the basis of whether they involve owner-occupied or buy-to-let properties? That might offer an explanation. One would imagine a surge in the supply of private rented accommodation, but rental prices do no appear to be falling. Is the Minister's Department monitoring that?

The social rented sector is the key issue. Even if the Government were steadily hitting their target of 50,000 new homes a year, it would allow them only to keep pace with the problem. We could be facing a massive surge in demand for social rented housing, and it is not clear exactly how the Government will respond. Some 1.7 million people are on the waiting list, and in many places, the number of people on waiting lists is greater than the stock of social housing.

The Government's announcements are not enough. The key problem is that social house building has reinforced the cycle. In the boom times, it reinforced the boom, but now we are in the bust, nothing is being introduced under section 106 of the Town and Country Planning Act 1990. Many registered social landlords depend on private sales to fund their social housing. That is also reinforcing the bust. We must break out of that cycle, and the Government have not done enough to do that. Figures were announced yesterday on the clearing house deal, which is supposed to help to free up affordable rented housing for social use in areas in which it is needed most.

Following a scheme that was announced in May, 1,531 homes have been purchased for social-rent use. If we consider the areas of greatest need, however, only 18 homes have been purchased for social-rent use. In all the areas in which the demand is greatest, the least is being done. That brings us back to the fundamental issue of what happens to housing revenue account subsidy. Tackling that is important, as is allowing councils to borrow. Councils are sensitive to the problems, but they do not have the flexibility to deal with them.

I have lots more to say, but I will close by highlighting the good work that is going on locally to tackle some of the problems. Councils such as Oldham are expanding their equity loan schemes to try to get empty properties back into use and to encourage the owners of those properties to get them back into use.

Forums are being set up with local mortgage lenders. Some councils are keen to get into leaseback and rent-back schemes and social mortgage schemes. Will the Minister tell us what his Department is doing to connect with local communities, which best understand their own needs and are proactive in proposing solutions? Should the Department not see its responsibility as supporting local solutions, rather than sitting on high and coming up with bigger packages that do not hit the intended targets? Areas of most critical need are not seeing the benefit of the measures. I hope the Minister will address those issues.

10.41 am

Mr. Stewart Jackson (Peterborough) (Con): It is a pleasure to serve under your chairmanship for the first time, Mrs. Dean. I congratulate the hon. Member for Sheffield, Attercliffe (Mr. Betts) on securing this important debate.

We cannot look at this issue without analysing the Government's lamentable record on housing—no one else has said that, so it is worth while mentioning it. The moral of the story is that the top-down approach has failed since 1997. Under Labour, about 148,000 homes have been built each year, compared with 171,000 between 1979 and 1996. Some 1.6 million people are on the social housing register. We have seen a rise of 54 per

cent. between 1996 and 2006. In the hon. Gentleman's own region of Yorkshire and the Humber, that number has gone from 173,000 to 270,000 in the past 10 years.

I agree very much with the sentiments expressed by the hon. Member for Great Grimsby (Mr. Mitchell): the number of homes built by local authorities is pitiful. It collapsed in 2006 to 283 units. Conservative councils, such as Dover, are taking the lead and building new council homes. As someone who has had a long-standing interest in housing, he is right to challenge the Government on the review of housing revenue and right-to-buy receipts. We will address that issue when we produce a housing Green Paper next year.

Mr. Betts: Considering the history of the situation, will the hon. Gentleman reflect on the fact that when right to buy came in—I think that there is a case now for suspending the right to buy for certain properties in certain areas where the pressure is enormous—we were given a commitment by the Government that 100 per cent. of the receipts from right-to-buy sales could be used by individual councils to improve their housing stock and replace the houses that were sold? That promise was not delivered by the last Conservative Government. If we are discussing failed promises, that was certainly a big one.

Mr. Jackson: We are considering the record of the Labour Government in their 12th year. Frankly, we face this lamentable failure in housing policy following a period of benign economic circumstances. In 2007, 53 per cent. of dwellings were houses, which is down from 80 per cent. in 2001. I agree with the hon. Member for Truro and St. Austell (Matthew Taylor) that we must get the housing mix correct. The current situation comes about as a result of a top-down regional spatial strategy approach that dictates how many thousands of homes are forced into different regions. That point was raised by the hon. Member for Cheltenham (Martin Horwood) as well. Social mobility has seized up, too.

Martin Horwood: Will the hon. Gentleman give way?

Mr. Jackson: No, I am afraid that I do not have time.

The HomeBuy Direct scheme was initially considering 120,000 units. In the middle of last year, we were looking at 207. Home information packs have done nothing to add to the viability of the housing market. The Government's own trials, which cost £5 million, have shown that they have largely failed to add to the viability of the wider market.

The dithering over stamp duty, which the hon. Member for Falmouth and Camborne (Julia Goldsworthy) mentioned, had a demonstrably negative effect on the housing market. One had only to talk to the National Association of Estate Agents to confirm such a view. Eco-towns are a prime example of the Government's short-termism and a discredited failure. If such a policy were a pet budgie, one would take it to the vet and have it put down. The Minister for Housing is to pull the plug on the scheme and kill it off gracefully, as only she can. She is doing that after admitting that her predecessor misled the House on whether such projects would be built on greenfield or brownfield sites. The Government are still fiddling the planning process to squeeze out local decision makers—elected councillors—from such decisions. Where does that leave us?

Our Prime Minister, the great helmsman, announced some incredibly ambitious, but massively unrealistic, house building targets in June 2007. Were such targets an ambition or a policy? The Government are not singing from the same hymn sheet in that respect.

The Royal Institution of Chartered Surveyors expects the number of new-built homes to be fewer than 100,000 units. The Government's limited attempts to kick-start the housing market, which we have supported, seem doomed to fail because they lack ambition. The HomeBuy Direct scheme will work only if the 70 per cent. that the homebuyers have to find is lent by lenders, but such buyers are considered sub-prime mortgage holders and they will have grave difficulty in securing that funding, and we will be no further forward.

The wider picture shows that just 33,000 loans for new properties were approved in September. The latest figure from the National House-Building Council shows that newly registered homes are down 68 per cent. in the 12 months to October 2008. Average daily sales are down 22 per cent. in the same 12-month period.

As other hon. Members have said, the Government have failed on housing supply in a decade of boom. Now that we are at the beginning of the bust, they are unable to meet demand. The housing market is seizing up and developments are collapsing. Therefore, what should we consider in the immediate term? The hon. Member for Cheltenham talked about the use of greenfield and brownfield sites. The Government are not doing everything that they can about the remediation of brownfield sites and are not assisting developers to get that tenure mix correct by helping them to develop such sites in a timely way.

If the Conservatives were in power, we would take direct action on stamp duty. We would scrap home information packs and regional spatial strategy housing targets because we are committed to localism. We believe that local people will deliver if they are given an incentive and provided with the infrastructure to make it feasible and viable to develop. There is not a great chasm between us and the Liberal Democrats in that respect. Moreover, we would consider new initiatives such as community land trusts. I am glad that the Government have moved closer to our position on that since we debated primary legislation earlier this year.

In addition, we must look at section 106 agreements, and we have to work with people locally. I agree with the hon. Member for Truro and St. Austell on that, and I commend him for his report. There were many ideas in it that we would seek to put into practice in government, although not all of them. He has done a good job, particularly in focusing on the crisis in rural housing.

The Government need to trust local communities and their elected representatives. We need incentives, infrastructure and the right type of housing in the right place. This Government have run out of ideas, they have run out of policies and soon they will have run out of time. We need a new Government committed to localism, with new ideas to revitalise the housing market fully. A Conservative Government would do that, as they have in the past.

10.50 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It is a pleasure to serve again under your chairmanship, Mrs. Dean. I congratulate my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) on securing this timely and important debate. I agreed with virtually everything he said. His analysis was astute and knowledgeable, and his expertise in the housing sector came out strongly. In fact, the whole debate has been knowledgeable, and I have agreed with an awful lot of what has been said, with the exception of the remarks of the hon. Member for Cheltenham (Martin Horwood); I do not think that I agreed with anything that he said.

I was also disappointed with the hon. Member for Peterborough (Mr. Jackson). Given that we are facing immense difficulties and that hard-working families out there are frightened about their housing situation, I thought that his contribution was somewhat backward-looking and introspective, and I was not surprised that in the midst of the biggest global financial turbulence since the first world war and with a dire need to recapitalise the banks' balance sheets, the Conservatives' one tangible solution is to scrap home information packs. They will need a bit more than that to become a viable Opposition.

I am conscious of time. We could spend a great many hours debating this important issue, but I will focus on three matters. I will summarise the housing market challenge that we face, which has been eloquently articulated by my hon. Friend and others; describe how we will prepare for the upturn and support the construction sector and hard-working families who fear a housing shortage or repossession; and discuss the role of local authorities and the Homes and Communities Agency, and how the relationship between them will be key as we move forward through the current turbulence towards the upturn.

I will be up front. I am not going to shy away from the challenges that we face in the housing market. The Government recognise the massive challenges in housing due to turbulence in the global financial markets. As has been articulated well in the debate, house prices have fallen, people are finding it harder to get a suitable mortgage and house builders are experiencing very challenging business conditions. Housing associations, as a result of stresses on their business model with regard to section 106 agreements, are finding it difficult to provide the finance to build houses for rent.

Most people's homes are worth far more than when they bought them, and mortgage rates are low by historical standards, but I do not want to be complacent about that and rest on my laurels, as it would be a wrong approach. These are undoubtedly difficult times for the housing market. Demand indicators have weakened and are forecast to remain weak. Buyer inquiries to the Royal Institution of Chartered Surveyors have fallen every month since the beginning of 2007, and unsold stock figures are poor.

The basis for current circumstances is exceptional instability in the international financial markets. That is where we have taken the most urgent and radical action. The Prime Minister and the Chancellor should be commended on their work to help to recapitalise the banks. They have taken extraordinary measures for extraordinary times. That should help to address the underlying lack of liquidity and credit that has created a more risk-averse approach to lending among financial institutions and frozen the mortgage markets. It will take time, as has been said, but the housing market will start to see the benefit. It is encouraging that thanks to political pressure, not least by my right hon. Friend the Chief Secretary to the Treasury, the Bank of England's 1.5 per cent. cut last week has been passed on. There is still work to be done, but the Government are putting pressure on the banks in that respect.

Although the crisis is global in origin and nature, the Government are committed to taking direct action to alleviate pressures in the domestic housing market. This Government do not think that the current correction is a natural feature of free markets and that we should ride the storm. This Government are not a Government who say that the price is well worth paying or that if it is not hurting, it is not working. We are keen to ensure, and are committed to ensuring, that we take action and work day and night to address people's fears about repossessions and housing shortages, and to put policies and actions in place to help to mitigate those risks.

Mr. Stewart Jackson: If we are being candid about the crisis, surely the Minister will admit that it was his Government's regulatory framework that allowed sub-prime lending to continue and presided over £1.3 trillion of personal debt, which is hugely greater than in most European countries and will exacerbate the difficulties in the housing market.

Mr. Wright: I do not want to get into that debate, but I seem to recall that the Conservative party argued that there was far too much regulation in the financial markets, and that the City of London was at risk of losing its status as the premier financial centre in the world as a result. The Conservatives cannot have everything, I am afraid.

House prices have risen in recent years as a result of benign economic conditions and people's feeling of security in their jobs, but also as a function of the relationship between demand and supply. We have not built enough homes in this country for a generation. I take great issue with the hon. Member for Cheltenham. Supply is an important factor. It is not the sole factor, but it is important, and it is something that we need to address.

Martin Horwood: Will the Minister give way?

Mr. Wright: I will, but I am conscious that I have not even scratched the surface of my speech.

Martin Horwood: Does the Minister agree with what Kate Barker said in 2002? She said that

"you might start out with an intention to build X in an area and two years down the line what has happened in the market has suggested to you that X was too big and you should cut the target".

Mr. Wright: People in this country are living longer, and the way that they live is changing. I suggest that as we face an economic downturn, greater stress on households may result in family break-ups, which will put even more pressure on housing. This is my key message: despite the short-term turbulence, which we recognise, acknowledge and are taking steps to act on, we need to have sight of long-term factors.

To echo the analogy used by my hon. Friend the Member for Sheffield, Attercliffe, we have been blown off course by global financial pressures, but the desert island that we need to get to—*[Laughter.]* That lovely Caribbean island where everybody has a decent home that is of good quality and has good infrastructure and facilities is key. That is why the Prime Minister has made it a key part of the Government's agenda.

My hon. Friend made some extremely good points about confusion over shared ownership. In the case of shared ownership and shared equity, there are different products for different markets, but I understand what he said, and I will take it away and consider it to ensure that we can negotiate our way clearly through the shared ownership model.

I am keen not to lose skills in the construction sector as a result of the economic downturn. The Government have taken action, and we continue to reflect on it. For example, we have created an apprentice matching service in conjunction with ConstructionSkills, the Department for Innovation, Universities and Skills and the Learning and Skills Council to help to retain apprentices with employers or place them with new ones if redundancy is being considered. That service went live in September. We have also developed national skills academies for construction on larger building sites to ensure appropriate training.

I am afraid that, largely as a result of my having allowed interventions, I cannot address the fundamental points, particularly the one about allowing local authorities to build, which I would encourage and would like to see. However, the Government are pressing ahead with needed reforms to focus on the long term, despite the economic turbulence, and to condition the market and industry for growth. Our focus is now on stimulating market conditions, seeking new ways to deliver the housing that this country urgently needs and ensuring that a planning framework is in place to support a rapid market recovery when recovery comes. We must focus on the long term while addressing the short-term turbulence that we face.

Children of Prisoners

11 am

Kerry McCarthy (Bristol, East) (Lab): I think that this is the first time, Mrs. Dean, that I have spoken in a debate with you in the Chair, and I welcome the opportunity to do so. I also very much appreciate the fact that the Minister for Children, Young People and Families, who has been very busy in the last couple of days with the tragic case that has been in the media, has taken the time today to respond to the debate.

I am very aware that this is a cross-departmental issue, involving the Department for Children, Schools and Families and the Ministry of Justice. The Cabinet Office has also been involved, with its families at risk review. The joint review that was published about a year ago by the DCSF and the MOJ was a very important step in highlighting some of the issues that need to be addressed—issues that have been neglected for a long time.

When the children of prisoners have come up on the political radar, which is not very often, much of the focus has been on the MOJ side of the equation. The issue arose, for example, during consideration of the Offender Management Bill. The focus has very much been on the importance to prisoners of maintaining family relationships while they are inside prison, which has been proven to reduce significantly the risk of reoffending.

Organisations, such as Action for Prisoners Families, have led campaigns on facilitating prison visits, reducing the cost of phone calls from prisons and reducing the distance from their home towns that prisoners are placed—an issue that was flagged up in the Corston report, particularly in relation to female prisoners. Other organisations, such as Save the Children, have done a lot of good work in creating children's visiting centres to make it easier for children to visit their parents in custody. That type of work is good, but I do not intend to dwell on those issues today, because they are very much the responsibility of the MOJ. Today, I want to look at this matter from the other side of the equation: from the child's point of view, rather than the prisoner's.

The statistics on the number of children who are affected by parental imprisonment shocked me when I looked into them. About 7 per cent. of British children will experience the imprisonment of a parent during their school years. It is estimated that about 160,000 children a year have a parent who is sent into custody. The Corston report says that 18,000 children a year are affected by a mother's imprisonment and a third of mothers who go to prison have a child under the age of five.

To put those statistics into some kind of context, each year, more children are separated from a parent by imprisonment than by divorce. The number of children who have a parent in prison at any time is two and a half times the number of children in care and more than six times the number of children on the child protection register. Obviously, with rising prison populations, those figures are expected to rise.

I will not go into much detail on the issue today, but the impact of a sibling being imprisoned has been shown to be just as significant on a child in some cases

[Kerry McCarthy]

as the imprisonment of a parent. That is something that we should also bear in mind when examining such statistics.

As for the impact on children of a parent's imprisonment, it has been shown that a child whose parent is serving a custodial sentence has three times the risk of developing mental health problems. There is obviously a stigma attached to a parent being sent to jail and the child may feel ashamed of it. Alternatively, they may sometimes blame the parent for indulging in the criminal activity that led to them being sentenced, or they may feel rejected by the parent and feel that the parent has chosen to engage in that criminal activity, rather than putting their child's interests first.

As a knock-on effect, the children of prisoners may be subjected to bullying or teasing—particularly at school, but also in the local neighbourhood—especially if the crime that the parent committed has affected people who live in close proximity to the family. That situation is obviously worse if there has been significant media coverage of the crime, which is an issue that I have wrestled with for some time. Obviously, there is a public interest in reporting the names and other details of offenders. However, if we read in the newspaper, for example, about a father of several children who has been convicted of downloading indecent images of children from the internet, we have to imagine the impact that that story has on a child. Although it is part of the punishment that the person who committed the crime has their deeds reported in the press, one wonders about that person's children having to go to school the next day, when everyone has read what their father has been up to.

There are other impacts on the children of prisoners. Children whose parents have been in prison are much more likely to display antisocial or delinquent behaviour, and they are also much more likely to end up serving a custodial sentence themselves. In 2006, a study showed that 48 per cent. of boys whose fathers were in prison ended up being convicted themselves as adults, compared with 25 per cent. of boys who were separated from their father between birth and the age of 10 for other reasons.

Obviously, there will also be an impact on the family. I hope that people will forgive me for generalising and tending to talk about a context in which the mother stays at home and the father goes to prison. In such circumstances, the mother will obviously be distressed and may suffer emotional problems that have a knock-on effect on the children. The family is also likely to experience financial problems. If the father was the main wage earner in the house, the family may find that they have to claim benefits, move home or school and perhaps go on to free school meals.

If a single parent is imprisoned or if both parents are imprisoned, there is a real issue about who takes responsibility for the child. In a debate in the House of Lords last year, Lord Judd said that, when he visited Holloway prison with the Joint Committee on Human Rights, some prison officers said that prisoners had told them that they had left their children unattended.

Such children are sometimes taken into care or the other parent sometimes takes over responsibility. Quite often, however, informal arrangements are put in place: grandparents, friends or other relatives of the prisoner might look after the children. I am told that, when a warrant is executed for someone's arrest, the police have to notify social services that children will be in the home and social services must bear that in mind and ensure that suitable arrangements are made. However, that does not apply when someone is arrested in the course of committing a crime or in various other circumstances.

I have some concerns about such informal arrangements. In my constituency, a significant number of women are addicted to hard drugs and have children of primary school age. Quite a few of those women are involved in on-street prostitution. If a woman in that situation is given even a short sentence of imprisonment, her child might well end up living with an unsuitable boyfriend, or perhaps even her pimp; it is quite likely to be someone else who is a drug addict and who does not have the child's best interests at heart. Furthermore, if the child is, for example, a 13 or 14-year-old girl, I do not need to say what kind of concerns that would raise.

There is no systematic way of checking that the arrangements that are put in place when a parent is imprisoned are suitable for the child, which raises a number of issues. For example, who has parental responsibility for the child? If the child has an ongoing medical condition, is the person looking after them able to meet their health needs? Are they aware of the treatment that the child needs? Could they give authorisation if the child needed urgent medical treatment?

There are also financial issues, such as who gets the child benefit. If the child benefit is not passed on to the person who is caring for the child, will that person have the financial resources to meet the child's needs?

With regard to visits between the imprisoned parent and their child, will the carer be able to maintain that contact? For example, if the carer is a grandparent, they might feel that contact with the parent is not a good idea, particularly if the parent is seen as a bad influence on the child. Alternatively, grandparents may not have the financial resources or the transport to ensure that such visits happen.

There is also an issue about what children are told when a parent goes into prison. It is estimated that about a third of such children are not told anything at all about where their parent has gone. Another third are lied to—for example, they are told that their father is working away from home. Quite often in those circumstances, however, the children will find out what has happened through school, media reports or word of mouth in the local community. Obviously, if children have not been told that their parents are in prison, they will not be taken to visit them, and they will lose contact with them.

As the joint review by the MOJ and DCSF identified, we simply do not know who the children of prisoners are, where they live or who is looking after them. The children's schools do not know, the prisons do not know and the local authorities do not know. There is no reliable information out there and no statutory support.

The Government have done some good work, however. This issue was flagged up in a couple of questions in the Every Child Matters consultation, but it did not make it into the White Paper. Perhaps the Minister will comment on that. The families at risk review also flagged up this issue as an indicator to look out for.

The Sure Start children's centre practice guide gives the best guidance that I have seen on the need to

personalise services for the partners, children and families of prisoners, and there is also some ad hoc good practice out there. Holloway prison has a first night in custody programme, through which it ensures that the well-being of children is checked and that mothers are reassured. That programme is flagged up when women are taken into prison.

There are no systematic mechanisms for informing schools that a child's parent has gone into custody. In one survey that I looked at only two schools had been informed by agencies and those cases involved children who had been taken into local authority care. However, some 70 per cent. of schools were informed by parents or indirectly. In-school support for children in such circumstances varies dramatically. If children have already been excluded from school, they could drop out of the system altogether, because nobody knows where they are or what their circumstances are.

What action should be taken? The starting point is the Ministry of Justice, which should consider the impact on children whenever an adult is arrested and put into police cells, is remanded in custody or is facing a prison sentence. I am told that there is guidance telling Crown court judges that they should consider the impact on a child of issuing a custodial sentence, but that there is no similar guidance for magistrates. Given that 55 per cent. of immediate custodial sentences are imposed by magistrates courts, that guidance needs to be addressed. There is an issue about whether reports are always commissioned from the probation service about the home circumstances of prisoners or potential prisoners and the impact on their children.

We do not give deferred-start custodial sentences in this country, but perhaps we should consider doing so. They are quite common in the United States. If someone needs to make complicated family arrangements or to find a carer for their children, their sentence could have a delayed start, so that they could put those arrangements in place.

Prisons need to do more to protect children's interests. What they do in that regard depends completely on prison governors and the prison regime. For example, it is not compulsory for them to facilitate visits. As I have mentioned, the cost of phone calls from prisoners to their children is very high. There are some good initiatives, such as Storybook Dads, in which fathers read stories on video tape or cassette for their children, but there is no consistent programme across the board to ensure that children are taken into account.

It is important to identify which children are affected and who is looking after them. Local safeguarding children boards have a role to play in that and in mapping what services are available locally. One good thing that we have done in recent years is to flag up the needs of young carers in the system within schools and other agencies. We could learn lessons from that approach in relation to identifying the needs of prisoners' children. For example, some young carers feel a sense of stigma about their situation if they are caring for a parent who is mentally ill, a drug addict or an alcoholic. There are lessons to learn about not waving a red flag and pointing it out to everyone that such children are young carers or have difficult family circumstances.

I agree with the joint review's conclusion:

"The focus should not be on creating a new strategy but rather personalising and developing the existing offer to children and families and embedding this in existing cross-government work".

As I have said, the Sure Start children's centre practice guide is a good example of that. It talks about working with children on addressing issues of self-esteem and reducing anxiety. It also discusses the provision of child care when the mother is visiting the father in prison and helping parents with their changed financial circumstances.

We need better co-ordination of voluntary sector help, to which funding is relevant. The sector plays a big role in running visitor centres, and the Action for Prisoners Families helpline receives about 1,200 phone calls a month. The voluntary sector also has a role to play in advising parents and carers on what to tell children about the imprisonment situation and on how to deal with the upheaval.

Schools have an important role to play, but there is a question about how much a child's situation should be flagged up. When my right hon. Friend the Secretary of State for Communities and Local Government was at the Home Office, she wanted to work with offenders' children to address the likelihood that they might become offenders, but we do not want to give them the impression that they have been tarred with the same brush as their parent or that they are being blacklisted.

One thing that came through powerfully in the Howard League for Penal Reform report, "When big brother goes inside", was that children did not want their teachers to know that they had a brother in prison. They thought that it was not their teacher's business, or that they might be pitied, or that their teachers would think that they were cut from the same cloth as their older brother. So there is concern that targeting could affect children in a bad way, rather than ensuring that they get the help that they need. That issue could be addressed across the board, rather than being specifically addressed in school.

Schools need to be made aware of what is happening, but perhaps the relevant children should not be taken to one side. There has been some suggestion that this issue could be addressed on a whole-class basis, with the whole class being told how to deal with children whose family members are in prison, but I can imagine a child sitting there thinking that the eyes of the whole class are on him or her. So, although it is important that these issues are flagged up, it should be done as subtly and sensitively as possible.

11.15 am

The Minister for Children, Young People and Families (Beverley Hughes): It is a pleasure to have you in the Chair, Mrs. Dean. I congratulate my hon. Friend the Member for Bristol, East (Kerry McCarthy) on securing the debate and on choosing this subject, which she addressed in a characteristically rounded and common-sense way. I am particularly grateful for her focus on the needs of the children whose parents are in prison, rather than simply on the adults. As she rightly says, this aspect is easily missed in everything that we are doing to focus on vulnerable families.

My hon. Friend is right to point out that there are many sensitive issues to consider in relation to information sharing, but we must address them. They should not be reasons not to take this work forward. The Government

[Beverley Hughes]

and I recognise the need to ensure that the approximately 150,000 children who have a parent in prison receive the support they need. Our Every Child Matters commitment means just that: every child, particularly the most vulnerable, matters.

There is no doubt that children with a parent in prison are among the most vulnerable. They are vulnerable in the here and now because of their family circumstances, and they are also vulnerable because of their future prospects and where they might end up. That is compounded by the fact that such children are, for reasons that we understand, much more invisible than other vulnerable children. They are spread through the school system and there is no easy way of identifying them, as there is with children in care or disabled children. That needs to be addressed.

Let me tell my hon. Friend what we are trying to do through universal services to raise awareness and make this group of children a priority. I shall also tell her about a specific initiative that places the needs of this group firmly at the heart of what we are doing. We have given local authorities significant funding for vulnerable families, targeted family support and family intervention projects. In that work, children whose parents are in prison have been identified as a priority group. In schools, which she has mentioned, there are initiatives such as the provision of parent support advisers. The training for those people will identify such children.

There is now significant funding through the voluntary sector, which is often in the best position to identify such children and work with them. Through the children, young people and families grant programme, the children of offenders have been identified as a priority group. Similarly, the work that we are doing to support better parenting is identifying offenders' children as a priority group. Some good work has been done on that. Middlesbrough local authority is using some of that resource to fund contact between children and parents in prison, as well as parenting programmes in prison. We are aware that we need to raise the consciousness of local authorities, schools and voluntary organisations, in their Government-funded work with families, of the need to identify this group of children as a priority.

I wish particularly to tell my hon. Friend about the "Think Family" initiative, which is about improving the life chances of families at risk. It is really important to ensure that individual children with parents in prison are identified properly at local level. Whatever happens after that in individual cases, there needs to be a much better link between adult services, which will be the first to know that the parent is in prison, either through the criminal justice system or other sources, and children's services.

Linking adult and children's services and ensuring that information flows between them is a problem more generally. That is why, in a report published by the Cabinet Office earlier this year, we identified that the next big step in the progressive improvement of local services, particularly for children, was to ensure the integration of children's services in social care, education, health and so on. The next important step is to ensure that professionals providing services locally think about families as a whole. Families do not split themselves up, saying, "Adults are here, children are there." They live as families including adults and children. The need for a step change in the flow of information and joint work between adult and children's services is therefore really important.

As a result of that report, my Department is funding 15 family pathfinders to develop and test the best way of implementing a "Think Family" approach to vulnerable families. They will identify some of the barriers to securing better information right across family services, and they will help with the early identification and intervention that is so important. Children of offenders, and specifically of prisoners, have been identified as a priority group for those pathfinders. They will consider what problems there are with information from the criminal justice system or adult services being passed to children's services, so that the children thus affected can be identified. Effective multi-agency teams working with a family will be based around a key worker, who can co-ordinate and communicate with the various services involved, whether for adults or for children.

The "Think Family" system change is required at all levels of local services, not just in identification and intervention, but in planning and commissioning. That perspective must suffuse service provision. A lot has been done through the children's trusts to achieve joining up, but moving to a system with really close integration between adult and children's services is also very important. That is why, building on the "Think Family" pathfinders, the youth crime action plan included a commitment to fund every local authority by 2011 to set up a crime prevention family intervention project alongside the "Think Family" reforms.

My hon. Friend rightly identified some of the excellent work in Sure Start children's centres, where under-fives whose parents are in prison can be identified. The work going on there is important. It is often practical, for instance in helping families to make arrangements in preparation for a parent serving a sentence and to book visits and keep contact going. Of course, because of the work of the children's centres, it also involves identifying the vulnerabilities of the infants and under-fives in families affected. I think that she mentioned the work done by the Fortune Park children's centre, through its link with Holloway, in running classes there and so on.

I listened carefully to what my hon. Friend said about the initiatives that she would like in the criminal justice system: a much more routine and automatic flow of information into children's services when a parent is imprisoned or held in custody, and an assessment at an appropriate time of the implications for the children. I will take it upon myself to ensure that I work with my colleagues in the Ministry of Justice to take that forward. I shall do so immediately today, by writing to them.

My hon. Friend has raised an extremely important issue, and I will take it forward. I look forward to talking further to her about it. I am aware that she has been selected to ask a question on the Floor of the House at 11.30 am, and she has asked me to finish a little early. Otherwise I would have said more, but I hope that you will allow me to conclude now, Mrs. Dean.

11.25 am

Sitting suspended.

British Day

Mrs. Janet Dean (in the Chair): I am informed that there may be a Division shortly, so we may have to suspend the sitting.

2.30 pm

Andrew Rosindell (Romford) (Con): I am pleased to lead this afternoon's debate on proposals for a British day. If I may say so, the debate is not before time. Almost every nation, country, territory and, indeed, people throughout the world is proud to celebrate its identity by establishing a special day of celebration, so why not the people who inhabit these great British islands? The idea of a day set aside for a celebration of Britain merits serious consideration and now is the right time to have this discussion.

If we were to establish such an occasion, 2012 would be the right time to do so, being the year of the diamond jubilee of Her Majesty the Queen. What a perfect year that would be to launch a British day. Let us have the debate; let us consider all the options, so that all British people can celebrate their identity with pride.

Much as I am a strong advocate of a British day celebration, I do not claim that the idea is mine alone. The Minister for the Cabinet Office stated:

"I think a clear majority of people support the idea of a national day of celebration"

and that it should be a

"celebration of what we like and love about living in this country."

In addition, the Prime Minister himself stated, while he was serving as Chancellor of the Exchequer in January 2006, that we need

"a united shared sense of purpose".

He argued in favour of having a national day, asking:

"What is our equivalent for a national celebration of who we are and what we stand for?"

In 2007, the then Secretary of State for Communities and Local Government, the right hon. Member for Bolton, West (Ruth Kelly), argued in favour of a British day, stating:

"The point of it would be to celebrate the contribution that we all make to society."

Furthermore, it was a key recommendation of the citizenship review commissioned earlier this year by the Prime Minister, under the former Attorney-General, Lord Goldsmith. As recently as this year, the Prime Minister further encouraged these ideas, saying a national day would be

"a really good thing to do".

2.33 pm

Sitting suspended for a Division in the House.

2.50 pm

On resuming—

Andrew Rosindell: Those words caught the imagination of much of the population and even television programmes dedicated hours to the concept. GMTV launched a week-long debate about a national day, the results of which were overwhelmingly positive. However, I am sad to say that the sentiment appears already to have been forgotten and carelessly cast aside by the Government. When I asked a question about the possibility of a national day for Britain, the answer I received was far from satisfactory. The Minister stated, disappointingly,

"there are no plans to introduce a national day at the present time."—[*Official Report*, 21 October 2008; Vol. 481, c. 243W.]

That was hurriedly corrected by the Government, who stated that that was not what they meant and that plans had merely not yet come to fruition. We shall have to see.

The Minister of State, Ministry of Justice (Mr. Michael Wills): Just to correct this point for the record, my written answer to the hon. Gentleman said exactly what has subsequently been said. There was no correction. If the hon. Gentleman reads what he has just said in the *Hansard* report of these proceedings, he will see that the two comments that he has mentioned are completely compatible; there is no contradiction between the two. There was no subsequent correction of that answer. That remains the exactly the position.

Andrew Rosindell: That is probably even more disappointing. There is no attempt to come back to the original idea that has so much support in our country. We will see what the Government's intentions finally are.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I represent the border constituency of Shrewsbury; my seat ends on the Welsh-English border. Since devolution, the Welsh Assembly is increasingly starting to introduce very different laws and legislation. My hon. Friend's proposals for a British day would help us, on both sides of the border, to remember that, no matter what administrative differences we may have, we are all still one people and will be so for ever.

Andrew Rosindell: Indeed. I am grateful to my hon. Friend for making that important point. Under devolution, we have different administrative authorities, which makes it even more important that we celebrate our Britishness and do not allow the devolved Parliaments and Assemblies to downgrade the importance of being British. Representing a border constituency between Wales and England, my hon. Friend will know that it is even more important that we rekindle and focus on things that unite us and keep the British idea alive.

Sadly, it looks as though proposals for a national day have gone the same way as many other policies proposed by the Government; it has been quietly dropped into the quagmire. It seems that this proposal has fallen victim to Government procrastination and indecision. It would be fruitless to waste any more of the valuable time of hon. Members dissecting the Government's lacklustre attitude towards this issue. I hope that we shall be reassured by the Minister at the end of the debate. Let us focus instead on what could be done if the political will allowed it.

What lies at the heart of the discussion is what it means to be British. We must examine what opportunities there are for all of us to celebrate a national day, as so many other countries do. We should begin by examining what happens in countries that share a similar culture and history. The obvious examples are New Zealand,

[Andrew Rosindell]

which celebrates Waitangi day on 6 February, Australia, which celebrates Australia day on 26 January, and Canada, which proudly celebrates Canada day on 1 July every year.

Any celebration that we choose to adopt would naturally focus on everything that makes our country and the British people special and unique, recognising all that binds our people together by cherishing our history and traditions, our culture and way of life, our monarchy, royal family and constitution, our democracy and love of freedom and our natural tolerance and generosity.

A national day should be much broader than a celebration of only the United Kingdom. Instead, it must be an all-encompassing occasion for every person of British origin or ancestry, not only here in these islands but elsewhere in the world.

Pete Wishart (Perth and North Perthshire) (SNP): According to the British social attitudes survey only 3 per cent. of Scots now say that they are British and some 80 per cent. define themselves exclusively, or almost totally, as Scottish. If it became clear and apparent that Scotland wanted nothing to do with this British day, would the hon. Gentleman and his party just foist it on the people of Scotland?

Andrew Rosindell: I will come to that issue a little later on. I do not accept for a moment that the vast majority of people in Scotland want nothing to do with being British. People in Scotland are proud of being Scottish, and rightly so, as I am proud to be English. We have a dual identity. It is right that people in Scotland should celebrate being Scottish and celebrate St. Andrew's day, as we do St. George's day, but we are all British. We carry a British passport. Scots, English, Welsh and Northern Ireland citizens serve in Her Majesty's armed forces. We have the same flag. We speak the same language, and our culture and our history are tied together. Anything that undermines that would be catastrophic for all British peoples.

We must include the whole of the United Kingdom, and we must consider our overseas territories and Crown dependencies, because they too are British. We must consider people in communities across the world that have been built by people from England, Scotland, Ireland—both north and south—and Wales who sailed the oceans to build new countries and whose descendents are, today, still immensely proud to call Britain the mother country. Such an occasion would also give expatriate communities and our armed services stationed abroad a focal point for celebrating their British identity in whatever corner of the globe they may be. We are a nation that loves to celebrate. The British people have so much to be proud of, especially our rich heritage and historical achievements.

Patriotism is a good thing. I am sure that we all remember that, in 2002, huge crowds turned out to celebrate Her Majesty the Queen's golden jubilee and took part in the street parties and special events across the length and breadth of our nation and overseas. What a great occasion that was and how it lifted our spirits! I also remember that we were told in the run-up to the golden jubilee that it would be a flop and that people would not join in the celebration. However, as the Minister will recall, when the great day arrived, the crowds were there and the genuine jubilation was palpable for all to see and enjoy, including in Scotland.

The same can be said of the recent celebrations over the Ashes victory and the Olympic parades of this summer. Such sporting spectacles are a prime opportunity to observe the pride and patriotism that the British public possess in abundance. If further evidence were required, one need look no further than the annual fortnight of tennis mania that descends on our nation during the Wimbledon tennis championships every summer. Clearly, our people have a lot of passion for their country, and sporting events are often a vehicle for demonstrating that passion.

Mr. Nigel Dodds (Belfast, North) (DUP): I congratulate the hon. Gentleman on securing this important debate. I am glad that he included the whole United Kingdom. He will be aware that the term "British" includes English, Scottish, Welsh and Northern Irish subjects, but he mentioned a Britain day, and Britain includes only England, Scotland and Wales. It is important to ensure at all times that Northern Ireland is included in any proposal, and I am sure that that is his intention.

Andrew Rosindell: I am delighted that the hon. Gentleman made that point. He is 100 per cent. correct, and that is the point of what I am saying. I am not talking about a United Kingdom day, because I want it to be a day that celebrates all things British. He is correct in saying that Britain is England, Scotland and Wales. Northern Ireland is not part of Britain, but it is part of the United Kingdom.

I have referred to the overseas territories and Crown dependencies, which are also British, but not constitutionally part of the United Kingdom. We should have a broader celebration for British people, whoever they are, wherever they are and whatever their ancestry, provided that they have links with Britain. It should be an all-encompassing celebration, and I would certainly ensure that it included the wonderful people of Northern Ireland who have been so loyal to Britain and the Crown over many centuries. They should certainly be included in any British celebration.

I referred to sporting events, and who could not feel proud of our country's achievements when our victorious Great Britain Olympic team paraded through the streets of our capital, draped in the Union Jack and decked out in red, white and blue? Sport is only one area in which people's respect for their country can be observed. An example of a more sombre and reflective occasion is Remembrance day, which is rightly held in great regard by all British people. One need only look at the success of the Royal British Legion's poppy appeal to understand exactly how much people respect our history and those who put their lives on the line to defend our way of life. Only yesterday, when I and many hon. Members were standing close by the Cenotaph in Whitehall at 11 o'clock, I could not help being moved by the sight of the large crowds who had come to pay their respects to those who laid down their lives for Queen or King and country.

Clearly, we are a people who are justifiably happy to celebrate our nationhood, and I doubt whether it will surprise hon. Members that we are not alone in that.

The sentiments of pride and patriotism that people in this country have are echoed around the globe. Almost every country in the world has a day set aside to allow its people to celebrate its own unique culture, history and traditions. This week alone marks the national days of countries as diverse as Angola, Cambodia, Burma and northern Cyprus. Last week, there were celebrations in Dominica, Micronesia and Panama, and there are national days next week in Latvia, Monaco and Oman. Everyone has a special day set aside to celebrate their national identity, except the people of Britain. The people of all nations have a desire to celebrate their identity, and we, too, deserve to be given the opportunity to display our pride in who we are and what British values truly represent.

I want to ensure that the purpose of my argument is not misunderstood. I am not proposing a new public holiday, a day off work or anything in that vein. That is a secondary discussion, which may take place, but not today. I am raising the principle of a British day of celebration, and I hope to spark a debate on the subject, eventually leading to a decision by the Government. The concept, whatever form it takes, should be a fluid and organic process. It should evolve from the grass roots, where individuals, families, organisations, schools, Churches and faith groups, clubs and communities come together to celebrate those things that they consider most important to them and central to their Britishness. After all, one of the best things about being British is our richly diverse people. Britishness should not be redesigned or relaunched by Whitehall or the Department for Culture, Media and Sport, or any other Department, but should be something that lives in all our hearts.

For people from the Shetland islands to the Isles of Scilly, Anglesey to Ayrshire, Dundee to Devon, Swansea to Southampton, Londonderry to Lincolnshire, Yorkshire to Yeovil, in each and every one of our historic counties and cities, and in all our territories across the seas from the Isle of Man to the Channel Islands, and from the Falkland Islands to Gibraltar, Montserrat to St. Helena, Pitcairn to Bermuda, as well as in lands far away where people can proudly trace their British ancestry, such as Australia, New Zealand and Canada, the islands of the Caribbean, parts of Africa, India and Hong Kong, and very far away places such as Norfolk Island, where people have a deep-rooted link to Britain and still sing "God Save the Queen", even today, and not forgetting communities of Brits who live, work and serve in lands far and wide, this will be an opportunity to join in celebrating all that is British. It should be not simply a United Kingdom day, but a day for all those who identify themselves as British and want to acknowledge and celebrate their treasured identity.

What could be the focal point of this celebration of our Britishness? The concept should stay with us throughout the year, but a good time to celebrate would be around the weekend of Her Majesty's the Queen's official birthday in the middle of June. The Sunday following the trooping the colour ceremony could be named Britannia day, with a national service of thanksgiving held in a different city every year and with churches holding similar special services throughout the country and elsewhere around the world where British communities and those of British descent live and work.

Special activities, events and celebrations could be encouraged on that day in villages, towns, cities, islands and counties throughout our green and pleasant land with voluntary organisations, churches, youth groups and sports clubs organising their own unique events based on a British theme. Local authorities and public services could also play an important part in facilitating those celebrations. Schools could lay the ground for what I hope would be a spectacular weekend of parties, pageantry and patriotism by giving pupils a greater understanding of the importance of celebrating both the Queen's official birthday and the new day for Britain. There are all sorts of possibilities for a Britannia day with activities all over the country. I believe that it would be a magnificent weekend that would strengthen and reaffirm our sense of Britishness.

It is a privilege to have this debate today, because the issue is important and needs to be addressed if we are to prevent British traditions and identity from being eroded or even hijacked. In recent years, the number of people who identify themselves primarily as British has declined. Instead, more and more people are arguing that their identity of Scottish, Welsh or English takes precedence over the notion of being British. In England, 39 per cent. of people said that they were British, which is down 9 per cent. from the previous year. In Scotland, as the hon. Member for Perth and North Perthshire (Pete Wishart) said, just 3 per cent. of people said that they considered themselves to be only or mainly British, which is down from 9 per cent. three years earlier. As I have said, I doubt whether that is really what they believe, but those are the figures in the survey.

According to John Curtice, who is professor of politics at Strathclyde university, the evidence shows that most people are still content to define themselves as having a dual nationality:

> "There is no doubt that in Scotland and in Wales, national identity is ahead of British identity. In England, the two are in competition with each other. But in all three countries, a lot of people recognise both."

The values of Britishness are clearly still very much alive and therefore vital to vast swathes of our population. However, we need to cement the bonds of our identity and it is important to give people legitimate opportunities to discuss and debate this important issue.

As I have said, a British day cannot be an occasion that is imposed from above. Individuals and communities within society as a whole must be the driving force. Support for our British identity is dependent upon the people coming together to share in their celebrations, and we must offer the guidance and support to create those opportunities. Empowerment is at the core of the issue; we should give people the power and ability to rejoice in themselves and in what they believe is important to the rich tapestry that makes up the great family of British people.

In an era when the notion of Britishness may appear to some to be ambiguous or even outdated, the core values of tolerance, respect, pride and patriotism, which form its foundations, live strong in the hearts and minds of the people of our nation. Most other countries acknowledge the need for such celebrations and celebrate their nations with immense pride, passion and enthusiasm; so should we. In so doing, we would give all our people the opportunity to celebrate all things British.

Mrs. Janet Dean (in the Chair): We have 36 minutes left for Back-Bench speakers. Three Members have indicated that they wish to speak, so there should be plenty of time for everyone.

3.12 pm

Mr. Gordon Marsden (Blackpool, South) (Lab): It is a great pleasure and privilege to take part in this debate. I congratulate the hon. Member for Romford (Andrew Rosindell) on obtaining it because, as he has eloquently stated, we should discuss this subject. I shall begin by daring to refer to the perhaps ill-chosen words of Anne Robinson, who famously said about Welsh people, "What are they for?" Hon. Members will be pleased to know that that is not a sentiment with which I agree. However, before we rubber-stamp British day in any shape or form, we should clearly establish what we want such a day for. As the hon. Gentleman said, we should not impose such a day from above in a uniform fashion.

I shall discuss some of the background to why the debate about a British day has been so interesting and important in recent years. I and members of the former Select Committee on Education and Skills, which conducted an inquiry on citizenship education, discovered that a significant number of people do not think that we should try to define or argue about Britishness. The hon. Member for Chesterfield (Paul Holmes), who is in the Chamber today, was present when that inquiry took place. Such people are concerned about what some people might conclude from such a debate. I remember having a vigorous discussion with the representative of the British Youth Council, who appeared before the Select Committee to talk about that issue.

I do not agree with the view that the matter should not be discussed—in fact, there are compelling reasons why we need to debate what it means to be British. Some of the issues relating to identity are shared globally by other countries and some specifically relate to the United Kingdom. Of course, these matters are related to—although they are not the same as—concerns that all hon. Members have had in recent years about participation in the electoral process, particularly by younger people.

Those concerns also relate to the changing nature of Britishness. That is a simple statement of fact; it is not something that we can say is a good or bad thing. The nature of Britishness has changed, particularly in the past 20 to 30 years. We are now a multi-ethnic, multi-faith society in a way that we were not, even 30 years ago. We live in a post-devolution Britain with all its intriguing complexities and tensions. Whether some Members like it or not, we live in a Britain that is intimately connected to the European Union. A new role and relationship for the monarchy is being carved out and debated. The heir to the throne is openly talking about whether he wishes to be defender of the faiths as opposed to simply defender of the faith of the Church of England. Incidentally, the wonderful historical fact that that wording was originally given to us by a Roman Catholic monarch is not often commented on.

On top of that, all hon. Members have a generalised concern about the sense of atomisation and the lack of social and community cohesion. As Trevor Phillips and others have pointed out, that is not just an issue that affects the new ethnic communities in the United Kingdom; it is a big issue that affects traditional white working-class communities as well, because a range of social and economic changes have taken place in past 20 to 30 years. In addition—this was one of the reasons why I pressed my colleagues on the Select Committee to carry out an inquiry on citizenship education—there has been ongoing soul searching about the implications of the events of 7/7 and what they mean in terms of the need for us actively to strengthen a sense of community cohesion.

A range of factors have propelled the issue of Britishness to the fore. I pay tribute to the Government and, indeed, to the Minister here today, who has taken a leading part in the process, for recognising that and taking forward the subject for discussion. The hon. Member for Romford referred to comments the Prime Minister made in 2006 when he was Chancellor. I was privileged to be present at the Fabian Society seminar, in which he made various comments, and I shall quote from those later.

In addition to the Select Committee inquiry, Lord Goldsmith has carried out a citizenship review and, importantly, within the former Department of Education and Skills, a report was published by Keith Ajegbo. That report discusses some important points about how, if we are to talk about how we became the sort of people we are today, we must do so in a broad and pluralistic way. In his report, Ajegbo echoed what we said in our Select Committee report when we talked about how the sense of Britishness or arguments about Britishness should be covered. Our report states:

> "Such coverage should rightly touch on what is distinctive in the inheritance and experience of contemporary Britain and the values of our society today. But it should not be taken to imply an endorsement of any single explanation of British values or history. Indeed, it should emphasise the way in which those values connect to universal human rights, and recognise that critical and divergent perspectives, as well as the potential to have alternative and different layers of identity, are a central part of what contemporary Britishness is."

Again, I agree with the hon. Gentleman's comments that celebrations of Britishness or a British day cannot be imposed from the top down. Governments might provide a framework—whether it is a public holiday or not—but the celebrations cannot be imposed from the top down. I would not want to see that done from the top down, because the sense of citizenship or Britishness—the two are not entirely interchangeable—is learned best when learned in the community, through voluntary activities, schools and discussion. We may want to have a set of symbols and values that cement those discussions, but the impetus should always come from below.

Some of the most interesting discussions that I have had on the question of citizenship, which I took forward after our Select Committee inquiry and which related to the subject of Britishness, have been in my local schools and colleges in Blackpool, where I have talked to large numbers of young people about their sense of identity. What I have learned from that, and what I am sure many other hon. Members who have delved into this issue in their constituencies have learned, is that people often find their sense of identity through engaging first with their local communities—through their families and extended relationships. They then relate that to the broader regional or national identities with which they choose to identify themselves. If we are to have a Britishness day, there are a number of different levels at

which we need to think about that and how to celebrate it. There is that extraordinarily successful television programme "Who Do You Think You Are?", which incidentally Keith Ajegbo said we should try to replicate in terms of activities at least once a year in this country. We can see that that is a key motor for this debate.

There is no single form of Britishness. Let us consider how Britishness was defined historically. As Linda Colley and various other historians have said, it was defined often in antagonistic ways—I am thinking of the Acts of Union of 1707 and 1801. Englishness has often been defined against other things. In the middle ages, we defined ourselves, I am sad to say, initially against the Scots, the Irish and the Welsh. We subsequently defined ourselves against the French and ultimately against the Spanish. That was associated with the myth of divine providence:

"God blew and they were scattered",

as it said on the armada medal. Englishness, liberty and Protestantism were the holy trinity that took Englishness forward in the 16th and 17th centuries. It was only later that the Scots and the Irish were co-opted into Britishness as part of the project of imperial expansion. I am not saying that we should repudiate that. I mention it merely to underline the fact that Britishness and the sense of Britishness has always been a process of constant reinvention. If we are to have a British day or a Britain day, it must be a pluralistic day and recognise the inheritances of all the people who now live in this United Kingdom today.

When the Prime Minister spoke at the Fabian Society seminar, he quoted George Orwell and talked about how George Orwell—I agree entirely with him—ridiculed the old left for its attitudes towards patriotism. Orwell said something very important about patriotism: he said that the difference between patriotism and nationalism was that a nationalist was someone who thought his country was always better than anybody else's, whereas a patriot was someone who loved his country and who, because he loved his country or she loved her country, could understand how other people could love their countries. I would not want to see any celebration of Britishness that did not take that into account.

We have too many examples in our history of mountebanks who have taken Samuel Johnson at his word—he famously pronounced:

"Patriotism is the last refuge of a scoundrel."

One thinks on this occasion—the 90th anniversary of the end of the first world war—of Horatio Bottomley and his famous set of tricks with *John Bull*, which ultimately put him in prison. In the famous story, the Home Secretary came in, saw him sewing mailbags and said, "Ah, Bottomley—sewing!" and he said, "No, Home Secretary, reaping." I do not want us to reap, in the things that we might do for a Britishness day, things that would give succour to people in the British National party and elsewhere who would sow division and hatred. If we are to have a Britishness day, we have to take on board all those issues.

The sense of community is something that we would want to press. I am attracted by the ideas proposed for a community day by the National Council for Voluntary Organisations, the TUC and the National Association for Voluntary and Community Action. Many of the things that the hon. Member for Romford talked about could be incorporated in that. If people want to call it a Britishness day as well, all well and good. I come from a seaside town, where we rely quite heavily on half-term visitors, and it would be nice to have an extra public holiday at about that time of year that would increase our visitor numbers. I mean that seriously.

My right hon. Friend the Member for Birkenhead (Mr. Field) has talked about associating such a day with Remembrance day, and I can see the advantages in that. Anyone who laid a wreath last weekend could not fail to be moved by the fact that that is a core part of our Britishness. The essential point about a Britishness day is that whatever it is, whatever we do and whatever we associate it with, it should energise and celebrate, not divide.

3.25 pm

Pete Wishart (Perth and North Perthshire) (SNP): I, too, congratulate the hon. Member for Romford (Andrew Rosindell), right down to his Union Jack cotton socks, on securing the debate. I half expected to see the Union Jack come billowing out and to hear the strains of "Rule, Britannia!" as he was delivering his speech. I recognise his passion for the subject, but it will come as no great surprise to him that I do not share his passion for a Britishness day. That is true of the vast majority of Scottish people.

It has already been said twice, by the hon. Gentleman and by me, that only 3 per cent. of Scots now recognise themselves as British. Some 80 per cent. consider themselves exclusively Scottish, or perhaps partly British with that. That is not a very good place from which to start a debate such as this, especially when Scotland is such a large constituent part of his Britain. If such a day is not wanted, that should be respected. I hope that there would be no attempt to foist it on the people of Scotland, especially as it would not work. The fact is that since the Scottish Parliament was established, the idea of Britishness has started to wane from the psyche of Scottish people, and as Scotland moves forward to become a normal independent nation, all vestiges of Britishness will go.

However, the hon. Gentleman is right in one respect: we have to celebrate what unites us and what binds us. That is why we in Scotland have St. Andrew's day and Burns night. Next year—2009—will be the international year of homecoming in Scotland. We will appeal to our diaspora around the world to come back to Scotland and attend one of the mass of significant events that we hold in Scotland. We will do more than that: we will make a plea for people to come back and stay in Scotland, to contribute to our national culture and economy. That is the type of thing that we want to do and the type of agenda that we have in place—to unite around what binds us historically, culturally and through our heritage. That is the way to do it.

I encourage the hon. Gentleman to stop thinking about Britishness day. What is wrong with Englishness day? I see a rise in a good, positive Englishness, which has been reclaimed. I very much welcome that. The day that the Union Jack comes down off this House and the St. George's Cross goes up is the day that our two nations will have arrived at a 21st-century relationship. I very much look forward to that day.

We have heard much about Britishness today. I have never felt British in my life. There are occasional pangs when you see Team GB in the Olympics and you are

[Pete Wishart]

bombarded with Britishness, Britishness, Britishness by the BBC, but I have never felt British in my life. I do not even know what Britishness is. I know what Scottishness is; I know all the things that define me as a Scot. I know what Englishness is. I can see that clearly when I study some of the great events in English history. I have no idea what Britishness is. I look forward to hearing someone's description of it. I listened carefully to the hon. Member for Romford and to the very considered remarks of the hon. Member for Blackpool, South (Mr. Marsden), but I am no clearer on what Britishness means.

I do not think that the British people know what Britishness is, either. Last year, the BBC did an exercise in which it asked its listeners to decide what day should be Britishness day. Thousands upon thousands of the British people replied to that. I was quite surprised. The day that they decided on for a national British day holiday, by an overwhelming majority, was the day on which the Magna Carta was signed. The Magna Carta is a significant historical document, but it is not a British significant historical document. It was signed in June 1215—492 years before there was even a sense of Britain, with the signing of the treaty of Union in 1707, so the British people do not even know what Britishness is. That is where we are in the debate. At the time of Magna Carta, we were still knocking lumps out of each other in the Scottish wars of independence, so I would suggest that that is not an auspicious date on which to celebrate Britishness day. There we have it. We must recognise that there is a difficulty in understanding and appreciating what Britishness is.

Of course, people will want to foist this day upon us. As the hon. Member for Romford noted, the idea of a Britishness day holiday was suggested by the Prime Minister. He did not arrive at that idea through some sort of altruistic design, or because he wanted to give us an extra holiday and celebrate Britishness around the nation. He put forward the idea of a Britishness day because he is a Scottish Prime Minister representing a Scottish constituency. We now have a Scottish Parliament, and the Prime Minister recognises that there is a problem. He is aware of the agenda of the right-wing press—the *Daily Mail*, the *Daily Express* and, it must be said, some Conservative party members—which thinks that it is totally wrong for a Scottish Prime Minister to be in charge of the United Kingdom. We have all seen the comments about what the *Daily Mail* and the *Daily Express* usually describe as the "ruling Scottish elite."

The Prime Minister had to address that issue because it was a problem for him in terms of being accepted by the vast majority of voters in the UK. Therefore, he came up with the idea of Britishness, by wrapping himself in the Union flag and saying that his favourite sporting moment was when Gazza scored that goal for England against Scotland. He had to do that to try to impress on the people of England that he would be Prime Minister for the whole United Kingdom.

Mr. Wills: I am grateful to the hon. Gentleman for giving way. Having watched that goal, I ask him to reflect on the suggestion that the Prime Minister might have selected it simply because it was one of the most miraculous goals ever scored.

Pete Wishart: I do not know what goes on the Prime Minister's head, but when he made that comment, the tartan army and all Scottish football supporters baulked at the suggestion. The Prime Minister may have been impressed by the goal, but it was not a clever thing to say in terms of his support for the Scottish national team. We are having this debate not because of any great desire within the political class to have a Britishness day, but because this is a problem that the Prime Minister wishes to resolve.

I believe that there should be a proper relationship between England and Scotland, but the way to do that is not by having a Britishness day. I want to celebrate my national days in my country. That is right and proper and there would be big problems if a Britishness day were to be imposed upon the Scottish people. The English should celebrate St. George's day.

My last point is about what unites Scotland, England and the rest of the United Kingdom—the social union. That is important and we must recognise it. We need a proper, mature relationship between England and Scotland that reflects and respects our 300-year journey. I have time for that and I have full respect for fellow Scots who still refer to themselves as British—that is fine and totally legitimate. We have a shared social union that has carried on for 300 years, but we do not have political constitutional arrangements in place to reflect it properly. That is what we should be moving towards.

Andrew Rosindell: Is that not exactly what I said earlier? Any proposal for a British day—whatever it is to be called—would not be a United Kingdom day but would encompass all people from the British isles and all those descended from the people of these islands, wherever they live in the world. I understand that the hon. Gentleman does not agree with the concept of the United Kingdom, but should he not separate that from the idea that all of us, himself included, are people who come from the British isles? Surely he can see the difference.

Pete Wishart: The hon. Gentleman is on steadier ground with that proposal and I have no great problems with it.

There is a great social union between Scotland and the rest of the United Kingdom, particularly England. However, I disagree with the idea that we should suddenly put out the Union flags. I say candidly to the hon. Gentleman that the Union flag barely exists in Scotland any more. There is an obligation for some councils and Government buildings to display the Union flag, but otherwise, it is never used voluntarily. If the hon. Gentleman is ever in Scotland he will see that.

We must ensure that the social union is remembered and factored into the relationship between our two nations. A Britishness day will not achieve that. We must move our two nations towards mutual self-respect and a new constitutional arrangement that reflects the aspirations of both our nations. That is the way to foster good relations between our two countries.

3.34 pm

Mr. Anthony Wright (Great Yarmouth) (Lab): I add my congratulations to the hon. Member for Romford (Andrew Rosindell) on securing this timely debate. For

the past two years, I have been involved in this issue on behalf of one of my constituents, Bruno Peak, who is passionate about bringing about a Great British weekend, rather than just a day. Both he and I have met with the Prime Minister's advisers and with my right hon. Friend the Member for Birmingham, Hodge Hill (Mr. Byrne), when he was Immigration Minister. This idea could capture the imagination of a lot of people.

Many comments have been made today extolling the virtues of the past and stating why we should celebrate Britishness—except obviously for those made by the hon. Member for Perth and North Perthshire (Pete Wishart). I would like to concentrate on a comment made by the hon. Member for Romford when he mentioned the idea of a weekend. We can talk about whether that should be in June or at a different time—that is up for debate. However, we must first clarify whether the Government like the idea of celebrating a Great British day—or indeed weekend—and will push forward with it.

A document has been presented to the Government by my friend and constituent Bruno Peak. I shall read some extracts from it that extol the virtues of having a Great British weekend and promote the view that such an event would help in other areas:

"It is widely recognised that local and regional events involving the community can act as a catalyst for economic development and urban regeneration that generates positive effects on tourism, infrastructure and city-town renovation. Such events also contribute to social benefits variously called psychic benefits, community self worth, civic pride and quality of life. This applies especially to national holidays and the celebration of historic events, such as the Trafalgar weekend of 21st to 23rd October 2005, when the nation commemorated the 200th anniversary of Nelson's victory over the French in 1805."

It goes on to mention the Queen's golden jubilee weekend in June 2002 and the millennium celebrations in 2000, both of which Bruno Peak was heavily involved in organising. The document continues:

"The Great British weekend could be held over any weekend to make the most of the celebrations, the social and commercial opportunities they offer, as well as assisting the tourism industry. Individuals and families would use this opportunity to invite family and friends from around the UK and the world to attend their events. Local authorities twinned with towns and cities abroad could ask representatives from them to join their festivities over this weekend or day. If the celebration worked well and received 'good press', it may well build in the long term and generate benefit by getting some outbound visits replaced with domestic breaks, through visiting friends and relations traffic, as ex-pats come home, with friends and family of other nationals living in Britain coming to visit.

Over a number of years, the Great British day or weekend could boost inbound spending by up to 1 per cent. and reduce outbound spending by 1 per cent."

That would equate to UK plc receiving about £18 million more from inbound visitors, with a potential £46 million from domestic residents spending their money inside the UK rather than overseas. It could therefore provide an overall boost to the economy of up to £64 million. At this time, that would be a welcome boost to many places in the country, certainly seaside resorts such as that represented by my hon. Friend the Member for Blackpool, South (Mr. Marsden), and my own constituency of Great Yarmouth.

The document continues by saying that the Great British day, or weekend, would become

"an annual event and the biggest weekend of celebration the nation has ever undertaken. The event would have a wider impact on the community in enhancing the accumulation of social capital than any other public holiday. Indeed, the Great British weekend and its thousands of associated events would provide an ideal opportunity to strengthen individual social ties to friends and families and to fellow British citizens.

Many studies recognise the benefits of public holidays both in terms of economic and non-economic pay offs. For instance, public holidays generate benefits in well-being and on leisure because it is a time when most people can enjoy things together. Leisure time is very important and can help enhance family life, especially if they also have the opportunity of meeting up with family and friends on an annual basis.

The Great British Weekend would encourage civic celebrations and events throughout the whole of the British isles. "People would attend these events with family and friends. For those who choose not to attend public events, large numbers of them will spend the day with their families and friends.

The Great British Weekend would provide the opportunity for people to get together, to keep in touch, and increase the time and frequency they spend with others within and across their social networks, thus strengthening the quality and bonding of family life. The celebrations over The Great British Weekend would not only include community events over the three days but would bring together a large number of voluntary organisations and workers and associations from different social and economic backgrounds to prepare, implement and manage events.

Participation in such unpaid voluntary work is a significant indicator of social capital and the involvement in voluntary activities and associations also has a positive impact on the accumulation of social capital. Indeed, such groups and associations function as 'schools of democracy', in which co-operative values and trust, are easily diffused. This is because participation in voluntary activities increases face-to-face interactions and helps to create a setting for the development of trust, which is so important in the world we live today. Consequently, voluntary engagement contributes to the building of a society in which cooperation is facilitated.

Many citizenship ceremonies and the announcement of the winners of the UK Citizen of the Year Awards could take place over the Weekend. These ceremonies and events would boost civic pride amongst participants, enabling them to share the common social norms and attitudes toward the nation and providing them with a sense of civic pride and belonging to the community they come from, and will be living in, once they become a British Citizen.

By attending, and being involved in the organising of events over The Great British Weekend, people are informed about and will feel part of being British, sharing the common social norms and attitudes toward the nation and obtaining a sense of belonging to the community.

Well-informed citizens have a better knowledge of public affairs, laws and practices of the country they are living in, giving them a greater confidence in their ability to influence public choices. The loss of the sense of community and a lack of belonging generates negative attitudes by individuals and groups towards their nation."

All in all, the idea of a British day or weekend is excellent. It is one that the Government should embrace, despite some of the views that have been expressed today. We heard that only 3 per cent. of people in Scotland feel British; I believe that we have to get back the British identity, so that people know that we are a united and unified country. Other countries were extolled by the hon. Member for Romford for celebrating national days. I believe that we should move with all haste, perhaps in 2012. The Government need to make a move.

3.42 pm

Paul Holmes (Chesterfield) (LD): I congratulate the hon. Member for Romford (Andrew Rosindell) on securing the debate. It was been most interesting, especially for me, as I was an historian in a previous career before being elected to Parliament.

The hon. Gentleman identified a number of key points for a national day that resulted from the recommendations of the citizenship review. Indeed, countries such as New Zealand, Australia, Canada and a string of others have such a day. At the heart of the discussion that he said was necessary is what it means to be British, and I shall return to that question.

Among the things offered by the hon. Gentleman as definitions of Britishness included sport—the Ashes, the Olympics and Wimbledon. However, although the TV schedules would lead us to think so, not everyone is fixated on sport. Remembrance day and the monarchy were other suggestions, and I shall return to those.

The hon. Member for Blackpool, South (Mr. Marsden), a former colleague on the Select Committee on Education and Skills, was an historian—he had a proper job before becoming a Member of Parliament. He offered a thoughtful and erudite contribution, as I would expect from an historian. In particular, he pointed out that any such event would not have to be imposed from the top and be not a divisive but a pluralistic event that recognised the complexities of British society and the various mixtures that make it up. Otherwise, it could be counter-productive and against our intentions.

We heard a plea for Scottish independence and the separation of the two nations, although I am not sure what the Welsh or the Scots think about being lumped in like that. We also heard a good exposition of the fallacy that something such as Magna Carta, which came top of the poll, was a defining British event. However, it was nothing to do with Great Britain or the United Kingdom, or any of the other tags or descriptions; it long predated the appearance of such a political unit.

We historians could make a long argument about Magna Carta being an important event, but much of it is symbolism. As I used to tell my classes, at the end of every part of Magna Carta—when dealing with the freedom of the individual and saying that the Englishman's home was his castle—it should have had a few words in parenthesis saying, "but not if you are poor" and "if you are a peasant, this does not apply to you." We can analyse these great historical events, and come up with all sorts of interpretations. We also heard an appeal for a great British weekend or something similar to boost tourism, at the same time as developing the idea of Britishness.

How do we define Britishness? We heard that the national groups—the English, the Welsh, the Scots, the Irish and the Northern Irish—have distinct approaches and attitudes to sport, as to everything else. However, more recent groups now form part of our society.

In Sheffield, where I grew up, and in Derbyshire, where I have lived for 30 years, and also in Lincolnshire, Poles and other eastern Europeans have a strong presence. They first came here at the start of the second world war. Indeed, members of the Polish Parachute Regiment trained at Hardwick hall just outside Chesterfield. They were based in Lincolnshire before flying to participate in battles such as Arnhem. Many of them settled and married locally. After the war, we had an influx of Poles and eastern European refugees fleeing Soviet dictatorship in eastern Europe. Many came to places such as Sheffield, Derbyshire and Lincolnshire because they had contacts among those who were in the armed forces during the war.

We have other groups. Sheffield and Chesterfield have people from the Caribbean and the Asian subcontinent, formerly parts of the British empire. The recruiting message after the second world war—a junior Minister by the name of Enoch Powell was involved—was that those who had fought for the mother country in the greatest war, the war to end all wars, should now come to work for the mother country. They were invited and encouraged to work in the national health service, British transport, the steel works in Sheffield and other jobs across the board. Those people all form parts of our culture and our Britishness. We cannot divide the nation into English, Welsh, Scottish and Irish.

What events or characteristics should we choose for the British day or the British weekend? A number of things have been suggested. We heard that a number of former colonies, including Angola, have a national day. However, those countries are recently independent; they were born and achieved independence on a specific day, and it was often the result of bloody contests and struggles. They have a clear recent event that can be treated as their national day—the start of their nation. For many, the event is within living memory. That is clear cut.

We heard of countries that became independent in rather happier circumstances. I think of New Zealand, Canada and Australia. Those countries have a clear-cut event, but do we have a similar event to lock on to for Britishness? As an historian, I wonder whether we should go back to the first unification of the British tribes, when the Romans conquered the country. Should we go back to the conquest of Romano-Britain by the Anglo-Saxons from Denmark and Germany?

Andrew Rosindell: We should not make things too complicated. If the hon. Gentleman were to check, he would discover that most embassies and high commissions have national day celebrations to which local people are invited. They always use the Queen's birthday weekend as a British day. I suggested that we could consider many days, but why not stick to that weekend? We already have the great pageant of trooping the colour on the Queen's birthday. Sticking to that weekend would make things simple, and we would not get bogged down in a multitude of options that would cause conflict and argument.

Paul Holmes: I thank the hon. Gentleman for that observation. I have two comments. First, as has been suggested by a number of hon. Members, this is more complex than simply rallying around a royal day or a day for the monarchy. It has to be more pluralistic and representative than that.

As an historian, I spent many years teaching A-level students in particular, but also younger pupils, to beware people bearing false facts and saying, "Well, it's as simple as this—and there are no other views." As we have heard, there are many different views about history, nationhood, Britishness and so on. Should we look to the Vikings who part-conquered the country but left a very strong trace in the DNA of people in Scotland, the north of England, including Yorkshire, and in coastal

areas? Should we look to the Normans, who conquered us in 1066? Should we look to 1649 and the end of seven years of civil war, when parliamentary democracy triumphed over an attempt to impose a dictatorial, absolute monarchy? That was an important event in British history. Should we look to the 11 years of the republic that followed the civil war, or to 1660 and the restoration of the monarchy? We all have different opinions. History is not a nice, neat, simple, linear process ending at a point that everyone agrees on.

Should we look to the Glorious Revolution of 1688? Again, that is not so simple. The revolution was glorious, because it avoided another seven years of civil war, such as the one from 1642 to 1649, but it was not quite so glorious in Ireland, where all the conflict and fighting took place culminating in the battle of the Boyne. However, it was glorious on the mainland, because we got away with almost no casualties. Near Chesterfield is Revolution house, which at the time was a small remote cottage on the moorlands, where the Duke of Devonshire and others plotted their illegal rebellion against the legal King of England to replace him with a Dutchman, William of Orange, who then fought his battles with a Dutch army against a mainly French army at the battle of the Boyne in Ireland. History is a bit more complicated than simple labels, such as "the Glorious Revolution".

Should we go for the traditional drum-and-trumpet history that the Victorians espoused and look to great battles, such as Trafalgar and Waterloo? Those are slightly further back in history now and so perhaps not quite relevant enough to be national unifying events. Should we use traditional events, such as the signing of the Magna Carta and the Glorious Revolution, which we have already mentioned, or the Bill of Rights of 1689, which we desperately need to update? On the other hand, some people say that we should celebrate things such as the Chartists and suffragettes, who brought democracy from 2, 3 or 4 per cent. of rich landowning men to the whole population, regardless of wealth or sex. That was probably the most important step in British history.

The USA was not mentioned in the list of countries with national days, because as one of the most patriotic countries in the world—admirably so in many ways—it does not need a single national day. It recognises that it has a very mixed community. Consider the events that it does have: the third Monday in January marks the birth of Martin Luther King; the third Monday in February marks the birth of George Washington, although it is more generally known as President's day; the last Monday in May is memorial day, which started with decorating the graves of civil war casualties; and the fourth day of July is independence day. However, as the Americans fully recognise—the election of President-elect Obama perhaps sets the seal on this—the glorious independence day and the declaration of independence, which said that all men are born equal, should have had "unless you happen to be non-white or female" in brackets at the end. In that respect, it is similar to the Magna Carta. But things have moved on. The Americans also have labour day, which is rather like our May day, Columbus day, veterans day and thanksgiving day. They have a sequence of events celebrating different seminal events in the development of that great multiracial, multinational nation that is the USA. Perhaps we could learn something from that.

At lunch time, I had the great pleasure of spending an hour and a half in the company of 14 soldiers from 3 Para, who are just back from a tour of duty in Helmand province. I told them about this debate and asked them what they thought about a Britishness day. I spoke to them in two or three small groups. The first response was, "Yes", but almost immediately they started saying, "But what would it be?" They said, "We should certainly have a St. George's day, because the Welsh, the Scottish and Irish have their national days, but we in England do not have that." Then they said that we should focus on a national day that would be unifying and all-embracing, rather than divisive and separate. They suggested a national day centred around Veterans day or Remembrance day. Yesterday, France and the USA celebrated their veterans days.

We have Remembrance day. I attended two very moving Remembrance day ceremonies in Chesterfield and Staveley. Such ceremonies are seeing record attendances. After all the fears a few years ago that as old soldiers die out people would stop attending Remembrance day events, the crowds are getting bigger, certainly in Chesterfield and Staveley. The latter one was a record—they could not fit everybody into the church, which has never happened before, certainly not since VE-day. Some 500,000 people have signed a Downing street petition saying that we should have a national day focused around Remembrance day or Veterans day. Such events could be much more unifying and would include the English, Scots, Welsh and Northern Irish, who all fought in various wars for this country.

Such a day would also include more recent participants and immigrants, such as Fijians, one of whom was a recent winner of the Victoria cross for fighting in the British Army. The Gurkhas and other such groups would all be included as well. Let us consider the unremembered history. Earlier this year, in Delhi, I saw a huge memorial to the Indians who fought with the British armed forces in France in world war one and world war two. Such a national day would be all-embracing, not divisive, nor would it fall foul of different national divisions and racial groupings.

Finally, would such a day fall on a bank holiday or a weekend? The hon. Member for Romford said that that is a debate for another time, which is fair enough. However, we have fewer bank holidays than the rest of the Europe. I cannot help but think that if we said to the British public, "This is so important that we should have a national day, but not so important that we want to roll it into one of your weekends," they might feel a bit short changed.

3.56 pm

Mrs. Eleanor Laing (Epping Forest) (Con): I sincerely congratulate my hon. Friend the Member for Romford (Andrew Rosindell) on introducing this important debate. As usual, with his brilliant patriotic fervour, he has given us many of the reasons we want to celebrate our Britishness. As ever, I agree with him, and I am pleased that thousands of people in Romford also agree with him—the Union Jack is certainly to be seen there.

If one thing comes out of this debate, it is that Britishness means different things to different people—that applies to everyone not only in this Chamber, but in the country. Clearly, it is impossible to define how we

[Mrs. Eleanor Laing]

should celebrate Britain and Britishness. The hon. Member for Chesterfield (Paul Holmes) illustrated that very well indeed. Being British does not have to be the same for every Briton. Surely, the essence of being British is that we are free, diverse and individuals. We live in a free country and are free to be whatever we want. That is the freedom that we have fought for, and it includes the freedom to decide how we wish to be patriotic.

We could mark our national pride in many ways. As Members have said, there is St. Andrew's day, St David's day, St. Patrick's day and St. George's day. During the Queen's birthday, the jubilee and other celebrations we focus on the royal family—not the people, but the institution that they embody. That is the focus of our national celebrations.

Then, of course, there are the sporting events, when we all become fervently concerned to celebrate our team, whoever they might and at whatever time. Just about the only thing on which I and the hon. Member for Perth and North Perthshire (Pete Wishart) will probably ever agree is that the Calcutta cup at Murrayfield on 8 March was a great day—for those who do not understand, we shall leave it at that. At sporting events, we are passionate about who we are and what team we are part of, be it Scotland, England, Northern Ireland, Wales, Britain or the Commonwealth. The same applies to party, family, town and village. We feel part of a whole. That is what makes humans such social creatures.

When we try to define how we should celebrate our Britishness, it becomes difficult. The last night of the proms is a brilliant celebration of Britishness in all its forms. The right hon. Member for Barking (Margaret Hodge) disagreed with me, and it is her right to do so. It is more important that the right hon. Lady and I can fervently disagree on such an issue than that we should be made to agree and to appreciate the same angle on Britishness.

It occurred to me yesterday, as we were observing the two-minute silence, that almost everyone in Britain, and British people throughout the world, were, at that very moment, celebrating the freedom that millions and millions of people have died for over the centuries. Appreciating and celebrating freedom is what brings us together as British people. It is very good that we are having this debate today, because I believe that yesterday at 11 o'clock was the point at which the nation came together. People came together not just to remember the dead but to celebrate freedom, and what generations had fought for.

I want to be brief because I want to give the Minister enough time to reply to this excellent debate. Although he has not made any silly speeches about Britishness, some of his colleagues have. Some have come forward with gimmicks about Britishness and why it matters, which undermines the whole concept of Britishness. I want to ensure that the Minister has time to dispel our fears about his colleagues and give us a lead as to what the Government are thinking in that respect. I am sure that he will not come forward with any more gimmicks.

I agreed with the hon. Member for Blackpool, South (Mr. Marsden) when he quoted George Orwell on the definitions of nationalism and patriotism. Orwell was right, and it is patriotism that we are discussing, not nationalism. I remind the Chamber that when the BBC conducted a poll about who is the greatest Briton of all time—many people participated in the poll—the person who won was Winston Churchill. It did not matter whether he was Scottish, English, Irish, Welsh, from New Zealand, or Australia; he was the man who led our country against the greatest threat in recent times to our freedom. That brings us back to the issue of freedom. People voted for Winston Churchill not because he was Conservative, English or an Edwardian gentleman, but because he led us against the common enemy who threatened freedom That is what matters.

I am sorry that the hon. Member for Perth and North Perthshire has no idea what it is to be British. I respect his position and I know that he means it, but it is a pity that he does not understand it. I have to remind him that although he and his party have a certain view, less than 50 per cent. of the people of Scotland voted for the Scottish National party and against the idea of Britain when they had the chance to do so. Now that they have a Scottish national Government, even more of them will vote for the Union and not for separatism.

Pete Wishart: Obviously the hon. Lady is not aware of the remarks made by the Leader of the Opposition when he came to Glasgow on Friday. He acknowledged quite candidly some of the problems with the Union. In referring to Britishness day, he said that he was totally opposed to any mechanical solution to the problem.

Mrs. Laing: My right hon. Friend the Leader of the Opposition is a fervent Unionist. It is one of the best things about him. He made a very good speech in Glasgow and has made many such speeches. He is not jingoistic about Britishness, and he respects what it is to be Scottish—perhaps not at the Calcutta cup but at other times—and that is very important as we take our whole country forward.

As I said, what is important is the fact that we are a free people, that we are individuals, and that our freedom has been fought for and defended over the centuries. It is everyone, and not just the white middle-class men of Britain, who live in a free, equal and fair society. That is what we have to celebrate in being British. I congratulate my hon. Friend the Member for Romford for bringing the matter to our attention—not just today, but every day.

4.5 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): I, too, add my congratulations to the hon. Member for Romford (Andrew Rosindell) on securing this important debate and on his passionate celebration of what it means to be British. We heard important and thoughtful contributions from my hon. Friends the Members for Blackpool, South (Mr. Marsden) and for Great Yarmouth (Mr. Wright) and the hon. Member for Chesterfield (Paul Holmes), who carefully set out some of the issues to do with the definition of being British, and we heard a strong exposition of Scottish nationalism from the hon. Member for Perth and North Perthshire (Pete Wishart). Finally, we heard a very deft analysis of the importance of being British from the hon. Member for Epping Forest (Mrs. Laing).

This has been an exciting and stimulating debate. It has been vigorous, diverse, pluralist and tolerant. In other words, it has been quintessentially British. I want to talk about the matter on two levels. Before I come to

the question of the British day itself, I want to talk a bit about the principles that underpin it. It is important that we understand why the matter is so important, and why the hon. Member for Romford should be congratulated on bringing it forward.

Our national identity matters. It is crucial to our sense of belonging. The sense of who we are runs through so many of the great issues that we confront as a nation. More than our national identity, it is our British identity that is important. It really matters.

As an institution, the Union is crucial to shaping and defining so much of what is important about residing in these islands. Over hundreds of years, the Union of nations—no matter what its historical origins—has demanded a tolerance and an openness to others. That has accustomed us to plural identities that lie at the heart of being British. All of us have separate identities, which stem from class, gender, ethnicity, sexuality and so on, and they are plural. We have plural national identities in this country to an extent that is quite different from anywhere else in the world. That is one of the things that makes us unique. It is the Union itself that makes us unique as a country.

It is intrinsic in the nature of the Union that we have these multiple political allegiances, and they are plural political allegiances. In this country, we can be comfortably Scottish and British, and I will come to my own set of statistics in a moment to prove that point. We can be Geordie and British or Bengali and British. We are accustomed as a nation to having such plural political identities. That British identity is different from our English identity, our Scottish identity or any of our other identities. It different partly because it is quintessentially plural. Therefore, I submit that it is inherently inclusive. That is something that we should value and cherish in this modern world. Unless we remember that pluralism of identity, it is very difficult to make sense of all the statistics that have been bandied about. They all seem to point in slightly different directions. They do not make sense and do not cohere until we remember that most people conceive of themselves as having those plural identities.

In January, the Ministry of Justice commissioned Ipsos MORI to carry out a survey to explore what sources of identity gave people a sense of belonging. We can all agree that that sense of belonging is very important and is an anchor for us in turbulent modern times. What gives people that sense of belonging? We asked 2,000 people who were demographically representative, and all the rest of it, how strongly, if at all, they felt a sense of belonging to various things, including Britain, England, Scotland, Wales, their local area or neighbourhood, their region, their age group and their religion or faith. The results are on the Ministry of Justice website for those who want to explore them further. I am sure that the hon. Member for Perth and North Perthshire will dissect them with great interest.

Some 45 per cent. of respondents said that they felt a strong sense of belonging to their faith or religion, 69 per cent. to their ethnic group, 70 per cent. to their age group, 78 per cent. to their local area or neighbourhood and 80 per cent. to Britain. In addition, 82 per cent. said that they felt a strong sense of belonging to England, 91 per cent. to Scotland and 95 per cent. to Wales. Of course, there are variations within the sub-groups from those national figures in relation to Britain. For example, 81 per cent. in England felt a strong sense of belonging to Britain, compared with 87 per cent. in Wales and 70 per cent. in Scotland. Interestingly, for all the focus on the Union, the figure for Scotland is virtually identical to that for London, where 71 per cent. of people felt a strong sense of belonging to Britain.

Mrs. Laing: Will the Minister repeat the 70 per cent. figure for Scotland, in case not everyone in the Chamber quite heard it?

Mr. Wills: I was just about to do that very thing: 70 per cent. of those in Scotland felt a strong sense of belonging to Britain. What emerges strongly from all those figures is the strength of the British identity as a source of belonging across age, gender, region and ethnicity. For example, 75 per cent. of black and minority ethnic respondents said that they felt a strong sense of belonging to Britain.

Our British identity is important, and it is resilient. Despite all the talk about the growth of national sentiment in England, Scotland and Wales, 54 per cent. said that their sense of belonging to Britain had stayed the same over the past five years, 16 per cent. said that it had become stronger and only 28 per cent. said that it had become weaker. Everyone is welcome to look at the figures on the Ministry of Justice website. There are no significant variations across age, gender, region or ethnicity. The figures are important and show the continuing resilience of British identity.

Pete Wishart: I am grateful for those figures. Has the Minister any idea why they are so different from all the other social attitude surveys that we have seen in the past five years, which clearly show a trend in the other direction?

Mr. Wills: With great respect to the hon. Gentleman, they are not so different. They are consistent with survey after survey on the strength of the British identity. He might need to go back to the surveys and look at the exact questions asked. That is always the case with surveys. I said specifically what question we asked—it was about a sense of belonging—and that there were plural identities. The number of people who feel exclusively British is relatively small, and I am quite prepared to accept that it is very small in Scotland, but that is not about being British. The very nature of being British is that it is a plural identity. What matters is that for the overwhelming majority of people in this country and in Scotland, being British is an important source of their identity. I will never persuade the hon. Gentleman of it, but I ask him to listen to the people in Scotland on the matter. The figures are up on the website, and I shall be interested to continue the discussion with him.

The debate about a British day is part of a much wider debate about how we can foster a greater sense of national identity, cohesion and citizenship. They are important issues. We live in turbulent times with all the phenomena of globalisation buffeting us, and we are going through difficult economic times, partly as a result of such phenomena. It is important that everybody feels a sense of belonging and of being anchored and rooted, so that we are not buffeted too much by the storms. That is why this agenda has been so important to this Government.

[Mr. Wills]

We are taking a lot of measures on the matter. I pay tribute to my hon. Friend the Member for Blackpool, South, who has been much involved in citizenship education. It is an important part of what we are doing. We introduced citizenship ceremonies, which were much mocked at the time—people were sceptical and cynical about them—but anyone who has seen one taking place knows how immensely valuable they are and what a sense of belonging they can generate. They emphasise the value and significance of becoming a British citizen.

Engaging young people in what it means to be a British citizen is enormously important. The introduction of compulsory citizenship through education for 11 to 16-year-olds in 2002 enabled young people to explore their identity and work out for themselves what it means to be British. All who have contributed to this debate agree, I think, that that is something that cannot be imposed by Government. Government can foster, encourage and enable, but essentially, it is something that people put together for themselves. They must decide what it means to be British. Inevitably, there will be differences of view. The hon. Member for Chesterfield described at some length the things that could be involved in making such decisions.

We have set up a youth citizenship commission, which will report to the Prime Minister next spring. Lord Goldsmith's valuable review of citizenship, which was published in March this year, has contributed significantly to the debate. There is much in the review that is significant and of great interest, and we are considering the proposals, appropriately, in the context of our wider reforms.

The hon. Member for Epping Forest mentioned gimmicks. I am not sure whether I am correct in my interpretation of what she was referring to, but symbols are enormously important. The Union flag is an important symbol of what it means to be British, and the Government believe that it should be regarded as a source of pride for every British citizen. It should never be co-opted by any party or sect, particularly by the right-wing parties that have so poisonously sought to co-opt it for their cause. That is why, following consultation, we have lifted restrictions allowing public buildings to fly the Union flag only on certain appointed days. We think that that is important.

A number of people have suggested that we should have a British day. The hon. Member for Romford thoughtfully set out a range of options and addressed a lot of the issues arising from the suggestion. I am grateful to him. Clearly, he has drawn—

Mrs. Janet Dean (in the Chair): Order. We must move on to the next debate.

Financial Markets

4.17 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): I am grateful to the Speaker for selecting this debate. I give special thanks to the Financial Secretary, bearing in mind that there has probably been a surfeit of scrutiny of financial issues, what with recent debates in Westminster Hall on international regulation, a debate yesterday on bank lending and one on the economy in the House on Monday. It is a sign of just how concerned hon. Members are about financial issues. Bearing it in mind that the Financial Secretary no doubt has many things to deal with at this difficult time, I am grateful that he is here.

I wish to declare some interests. They are already in the register, but it bears repeating publicly that I am employed by Tokai Tokyo Securities Europe Ltd, on behalf of which I deal with clients such as the World Bank and Scandinavian local government financing agencies. I should also mention that I am a prospective Royal Bank of Scotland pensioner, as long as the fund holds up, and that I hope that NatWest will continue to provide me with credit, so I have an interest.

In these times of instant media and instant judgment by talent shows and telephone polls, Treasury Ministers also face immediate, "X Factor"-style judgment of their performance in what happens in the markets, because of how our very transparent and liquid credit default swap markets now show—

4.18 pm

Sitting suspended for Divisions in the House.

5.42 pm

On resuming—

Mr. Pelling: I was referring to credit default swaps, which are measured in basis points, so 15 basis points would be 0.15 per cent. The premium charged for insuring UK Government debt on 1 August was 15 basis points, the equivalent of £15 000 on £1 million of debt. That is the same level as that which was chargeable on the American debt at that date. However, since then, and in terms of today's trading levels on CDS at five years, the UK now stands at 59 basis points or £59,000 for every £1 million, whereas the USA has gone up to only 35 basis points. The UK has moved from being third equal in terms of credit quality as charged by the markets to sixth, behind even Belgium. That should not be taken as a fundamental worry, but it is a sign of the challenges that the UK faces during the credit famine.

In the time remaining, I want to talk about the impact of the credit famine on Croydon and about the efficacy of fiscal and monetary policy. I have mentioned in previous debates not only the desire to rescue the banking sector, which the Government have done effectively and with great robustness and rigour, but the fact that the banking sector should be repaired to ensure that there is not a second damaging rescue process.

If time allows, I shall say a little about the practice of giving Government guarantees to banks for the issuance of debt and about the reform process that will be considered at the meeting in Washington at the weekend.

In Croydon, there is much that we can be proud of in the economy. In dealing with the challenges, we should thank the Government for the local enterprise growth initiative money that has been provided. It has been important in dealing with the challenges when businesses face difficulties. Even in these difficult times, Croydon Business has been able to support the creation of 70 new businesses.

I have spoken to a number of businesses about how they are experiencing the credit famine, and it may be helpful to give a feeling of what is happening in a strong suburban economy such as Croydon's. I shall do that partly out of care and concern for Croydon and partly because it might be instructive. Only one company was willing to speak openly, but it is a company that is well placed to comment. The company is called Frost Group Ltd and is run by Jeremy Frost. It is an insolvency practice based in Croydon and is therefore well placed to be able to give a judgment on how to set about saving the livelihoods of Croydon people. It is encouraging to report that, without attribution, many companies were willing to say that the banks were behaving better than they were six months ago.

Many companies that face real cash shortages and cannot expand should go for insolvency. The reality is that, in terms of previous business practice, people who were willing to seek insolvency but who wanted to be able to pursue a business at a later stage had a lack of confidence that they would be able to do so, because they felt that there was no prospect of money being offered in the future.

Another complication reported by Croydon businesses is that, in previous recessions, they would perhaps have to deal with only one banker. However, given the exuberance of the credit markets in the last economic boom, many of those small businesses have to deal with three or four different banks. There are therefore great complications in being able to keep such businesses going, because of the inability of banks to work together to reach a satisfactory resolution to the problems.

The Frost Group also reported unfortunate examples of gross stupidity on the part of British banks in their lending to some local companies. A company with only a £2 million turnover was readily offered £250,000 as a lending facility. There was no hope of that money being paid back. In many ways, the response was that a lot of smaller businesses were also reliant on a mixture of borrowing against their own businesses and personal financing—even to the extent that smaller micro-businesses used credit cards to fund their activity. It is good that the House has looked at the idea of creating a maximum rate for credit card debt. That is something that the Japanese Diet did effectively last year—I think it capped the rate somewhere around the rate proposed in the House.

I should also like quickly to consider the issue of fiscal policy compared with monetary policy. An interesting article in last month's International Monetary Fund publication, "World Economic Outlook", considered the arguments against using fiscal policy as a means of pursuing a rescue from the current difficult market environment. It suggested that there are obvious risks in terms of the mistiming of public sector investments in the economy. Ultimately, that approach could be compromised by the cost of the debt that the Government are issuing being adversely impacted by the amount of public expenditure that takes place.

Despite the fact I have a point to make later about the policy of guaranteeing bank debt, I strongly feel that it would be wrong to accept such advice. Unfortunately, the economic downturn will be so significant that there is probably no risk of bringing on a great deal of public expenditure on capital projects in some kind of upturn. More importantly, as the *Financial Times* recently stated in its Saturday editorial, in current circumstances, with the credit market so badly damaged

"monetary policy may remain ineffective".

We need only look at what happened in Japan with the complete failure of monetary policy to stimulate the economy. It was completely impossible to force banks to lend when they knew that asset prices would only fall further. We should also look at what has happened in the US with the stimulative effect of the moneys in the $800 rebate that was available from May. Although that was somewhat obscured by the increase in oil prices, there can be a great deal of confidence that it had a positive effect.

It is very good news that the Government are being so positive about the fiscal stimulation of the economy in their approach. However, given that, as the Prime Minister stated in the House today, so many Governments are pursuing such capital expenditures, we should bear it in mind that there must be a finite number of engineers around the world who can help by, for example, building a motorway in New Zealand, supporting $568 billion-worth of capital expenditure in China or, indeed, building an Olympic village and stadiums in London.

As I said, some people will say that, ultimately, fiscal policy will be damaged by the amount of debt that is issued by Governments. I think that that cannot apply in the case of the UK, bearing in mind how low UK debt-to-GDP ratios are, but I have a concern about how the Government have readily agreed to provide guarantees to our banks to issue debt. The rates at which those issues are being launched in the market are over LIBOR. The rates are coming down as investors see the very great value offered on the table. However, that can be as much as 85 basis points—0.85 per cent.—higher than would typically be payable if the Government were issuing gilt debt themselves.

Even when one takes account of the transfixing up-front payments that the Government are receiving from banks for that issuance, it is possible to postulate that perhaps up to 40 basis points a year are being lost. If the full £250 billion-worth of a three-year issuance is made, that could cost as much as £3 billion extra on top of the cost of normal gilt issuance.

That was a matter of comment on Bloomberg yesterday in the "Chart of the day". It was about the distortive effects that the bank guaranteed debt is having. It strikes me, bearing in mind the number of Back Benchers who keep lobbying Treasury Ministers to impose their will on the banks, that it would be easier to impose that will if the Government were issuing more gilts and then lending that money directly, rather than giving a free passport for the approach to the market.

I am coming to the end of the time available to me, so I shall have to pass by the issue of the Washington meeting, but I will turn to another. I am grateful to the Financial and Exchequer Secretaries to the Treasury and the Chancellor of the Exchequer for responses to questions that I have asked here in Westminster Hall

[Mr. Pelling]

and in the main Chamber about the dangers of the Government being pushed into a second significant rescue of the banks. In many ways, the vigorous action that the Government took in dealing with the financial difficulties has given great confidence to financial markets, but if we have a second significant leg down in the markets and the Government find it necessary to provide yet further bail-outs for the banks, the Government's political credibility will be questioned and, far more importantly, financial markets will lose their faith in the ability of Governments to hold the ring in financial markets.

After all, over the weekend, we saw AIG—American International Group—having to come back for a second rescue in the United States. Today, we have seen that the Paulson plan, which is admittedly based on taking bad assets off financial institutions, has had to be changed because of just how severe the situation now is in the US. So difficult is it that the remaining $350 billion of the $700 billion spend is to be spent on buying distressed car loans and credit card loans. That is a sign of the real dangers for Governments in a second significant financial crisis.

I believe that the banks are in such a poor state that we need to follow the policy that was pursued in Sweden in 1992 and is being followed in Switzerland with UBS of trying to remove those bad debts to clean the banks' balance sheets of them, such that banks are confident once again of being able to offer credit to one another. I am grateful for the answers that I have received that the short-term liquidity scheme has been the means of being able to do that, but that does not strike me as a medium-term solution that will provide banks with the confidence to deal with one another and to start lending again to the excellent Croydon businesses that I mentioned at the beginning of my speech.

5.55 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I welcome the information given to us by the hon. Member for Croydon, Central (Mr. Pelling) about the effects on his constituency of the unprecedented turmoil in global financial markets. The Bank of England's financial stability report suggested that the global banking system has undergone its biggest episode of instability since the start of the first world war—that is the scale of what we are going through. The Government's priority is financial stability and we will do whatever is necessary to ensure that. It is encouraging to hear that firms in Croydon are seeing improvements in how the banks are behaving, compared with six months ago.

A number of factors came together to set the stage for these problems, and no doubt economists and historians will debate exactly what those were far into the future. However, the factors certainly included low interest rates and investors' consequent search for higher returns, the use of increasingly complex assets and a lack of transparency about what they contained, and the bonus-driven pursuit of short-term profit in global financial institutions.

Investors were overpaying for risky assets, a bubble had formed, and as American sub-prime mortgages defaulted—one in five people are behind with their payments—the prices of assets linked to those mortgages fell. The shock was huge, and quickly transmitted across other countries and to other asset classes. Having paid too much for the assets, financial institutions now have to revalue them, booking losses of more than half a trillion dollars in the process. That collapse became the catalyst for a global financial crisis.

The Government are taking decisive action to tackle the problems. On 8 October, after consulting the Bank of England and the Financial Services Authority, the Chancellor of the Exchequer announced specific, comprehensive measures to ensure stability in the financial system and to protect depositors and businesses who rely on that system. The hon. Gentleman referred to a number of elements of that programme, which include providing sufficient short-term liquidity by increasing the amounts available to the Bank of England special liquidity scheme to in excess of £200 billion. He also mentioned new capital for UK banks and building societies, and efforts to ensure that banks are willing to lend to each other with confidence—freeing up inter-bank lending—by offering a temporary Government guarantee for eligible new debt issued by banks.

The hon. Gentleman suggested that instead of recapitalisation, we could have used the "bank for bad debt" proposal.

Mr. Pelling: Let me make myself clear. I was saying that the Government have been excellent in rescuing the banks, but it is now time to repair those banks. It is an additional burden rather than an alternative one.

Mr. Timms: It is helpful to have that clarification. Our judgment is that recapitalisation will have the desired impact. The problem with the "bad bank" idea is that it is difficult to put a value on what are sometimes called toxic assets. The people who know the value of those assets are the same people who want to get rid of them, so how can the Government decide what is the appropriate price to pay? In contrast, recapitalisation allows banks to absorb future losses due to toxic assets, while ensuring that taxpayers share in any upside, which we hope will follow.

The troubled asset relief programme in the US is open also to UK banks that operate in the US. That will help to create a market in toxic assets and, in due course, make valuations easier. However, it is worth noting that this year's Nobel prize winner for economics, Paul Krugman, said that

"the British Government went straight to the heart of the problem—and moved to address it with stunning speed."

He favourably contrasted what we have done in the UK with the approach taken in the US. He rightly acknowledges that, since we announced those measures, other countries have followed Britain's lead.

The Government are implementing a comprehensive set of measures. On 13 October, the banks participating in the recapitalisation scheme and the Government announced steps to strengthen those banks' capital positions through their own actions and, when requested, through support from the Government's recapitalisation and credit guarantee schemes. In total, we are providing £37 billion to RBS and, following their merger, to HBOS Lloyds TSB.

At the conclusion of his remarks, the hon. Gentleman made some interesting points about the international

nature of the crisis and the need for countries to work together to resolve it. I agree with him about the importance of that. We are therefore working with other countries, through the Financial Stability Forum, to strengthen the oversight of capital, liquidity and risk requirements; to increase transparency; to change the role of credit rating agencies, because problems there were a big part of what went wrong; to make regulatory authorities more co-operative and responsive to risks, including the establishment of international colleges for each of the largest global financial institutions; and to develop work by the Financial Stability Forum on the pro-cyclicality of the financial system.

The international community needs to take action to prevent further contagion and to support vulnerable emerging markets. A number of steps have already been taken by the IMF, and we need to ensure that it has the resources and instruments that it needs.

We also need to put in place a process to strengthen the legitimacy and governance of the Financial Stability Forum. The number of countries represented on the FSF is small, and we want to strengthen the links between the FSF and the IMF so that they are able to foster the international co-operation needed to promote global macro-economic and financial stability. We need to reaffirm our commitment to meeting global challenges despite the financial turmoil, including maintaining aid flows to meet the millennium development goals; moving rapidly, I hope, to a conclusion of the Doha trade round; and combating climate change.

As the hon. Gentleman knows, on 22 October it was announced that a summit of G20 leaders would be held in Washington later this week to address the global credit crisis. Last weekend, I attended a conference of G20 Finance Ministers and central bank governors in Brazil, where all these issues were debated ahead of the Washington conference. I agree with the hon. Gentleman that this week's event will be important.

Mr. Pelling: We should be grateful to the Minister not only for throwing himself around the world, but for coming to Parliament to be held accountable. Will he have time to comment on the merits and demerits of giving the banks guarantees to issue debt, rather than the Government doing the borrowing and then lending the money on to the banks?

Mr. Timms: All that I want to say at this stage is that, as the hon. Gentleman said, the facility being provided is being taken up. Some welcome unfreezing is taking place as a result. I am sure that he welcomes that as much as I do. That is one reason why we have seen the improvements on the position a few months ago that he mentioned. I assure him that we will follow closely how it works in practice. If changes need to be made, we will be willing to make them.

I conclude by saying that this is the first great financial crisis of the global age. Its effects are being felt across the world, and in many cases they will be lasting. Banking will surely be different in future. The roles of Government and regulators are being redefined. However, new opportunities are certain to emerge from the crisis; we should be confident that the UK is able to seize those opportunities. The Government will support the system to get us through the problems in the best possible shape, and to do it in a way that is fair to everyone in Britain.

Local Government (Gloucestershire)

6.4 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to open this debate, albeit rather later than expected—it must be a deliberate attempt to prevent us from discussing vital matters of local government reform in Gloucestershire. However, undaunted, I shall have a go, even in these twilight hours. I promise to give the Minister an easy time, because he is a cipher for good information on what we might want to do in Gloucestershire. I also welcome my hon. Friend the Member for Gloucester (Mr. Dhanda), who, if he catches your eye, Mrs. Dean, might want to say something later.

I am a long-term advocate of unitary authorities and would like two in Gloucestershire, but even if we do not get two, the debate still needs to be had. Gloucestershire is in a vulnerable position: all the authorities surrounding it have gone unitary. I congratulate them on making that move, but it puts us in a difficult position, because we are now alone and encircled. It is therefore time that we had a debate about this matter.

I bear the scars from the Banham review. I declare an interest in that, for the past 21 years, I have been a Stonehouse town councillor, and I am also a former Stroud district council and former Gloucestershire county councillor. I have seen local government in all its forms, and I am a great believer in it. However, I should like to think that I am also a believer in progressive local government that can represent people better in my area.

I am not alone in my support for unitary local government, and I am pleased to see that others have gone before me. I refer to Andrew North, the chief executive of Cheltenham borough council, who had the guts to say at the end of August that he believed that unitary local government was the way forward in Gloucestershire, even though it was not his authority's view. I read with some sadness that he feels abused by others who do not think that the time is right for that debate. I congratulate Mr. North. I do not know him well, but he was right to raise the issue and to say what he believed in.

This is a good time to be having this debate. Gloucestershire might have missed the boat this time, but is there a trigger mechanism whereby we can consider bringing forward unitary authorities? There is a debate about Cheshire, Devon and Bedford and so on, where people are looking to move towards unitary local government. If we have missed the boat, what can we do in Gloucestershire? That is not to say, "What should councillors do in isolation?" We know what the problem is in Gloucestershire. That is why I said that I bear the scars from the Banham review. The county council, on the one hand, and the district, city and borough councils, on the other, fought themselves—I was among them—to a standstill. Each argued its corner.

We have to be more magnanimous and consider what is best for the area. From figures in areas that are going unitary, we know that money can be saved and that there is better government to be had. I therefore hope that a debate can take place. Sadly, although Stroud district council has considered the issues, there seems to be something missing from Gloucestershire. Even though leading councillors there wanted to go along the unitary route, there seems to be no mention of it on council websites. It has fallen off the map, and I want to put it fairly and squarely back on it.

I feel strongly that we have lost out because we do not have unitary local government. I will also say in passing that I feel quite strongly about the redoubling of the Swindon to Kemble railway line. One of the problems there was that Gloucestershire as a whole ended up looking both ways. It should have looked at the prime railway line—the Stroud Valley line—that needed redoubling, and I know that my hon. Friend the Member for Gloucester agrees with me. We have ended up with the North Cotswolds line, which is far less important. It is also the line that is represented by the Leader of the Opposition. I mention that merely in passing. That is an example of us not doing the right thing at the right time.

I have four examples of areas in which unitary authorities—or a unitary authority—in Gloucestershire could have done better. Unsurprisingly, the first one is waste. Sadly, Gloucestershire has seven authorities with seven waste plants. I hear that we may be moving towards a waste authority, but we have heard that before. The issue is highly pertinent: today, the county received the go-ahead for the £92 million private finance initiative credits, which will allow it to try to resolve its waste problem. However, my hon. Friend and I feel that the county is going in the wrong direction, because it is considering building an incinerator in my constituency, which I am not terribly pleased about. Again, if we had clarity over how waste collection authorities and waste disposal authorities worked, we could move in the right direction and listen to our local populations.

Last Thursday, we had an important meeting at Quedgeley in my hon. Friend's constituency. Just like the problems in Gloucestershire, there is no strategy, no joined-up thinking, let alone action, and no coherence in how we are taking things forward. Therefore, waste is a wonderful example of how unitary local government takes the responsibility for the collection and the disposal of waste. Even if it is working with other authorities, it is able to command and to exercise proper responsibility, and that has not been happening in Gloucestershire.

My second example is concessionary bus fares. I would challenge anyone to come to Gloucestershire from outside and be able to explain exactly what is going on. We welcome what the Government have done and the money that they have put in, but authorities in Gloucestershire are quibbling over the money that they have received. Part of the problem is that we have different systems. Cheltenham has a different system from Gloucester and from the rural areas outside. A pensioner in my constituency catches a bus in Dursley in the south of my constituency before 9 o'clock. If he gets to Gloucester before 9 o'clock, he has to get off the bus, because there is no joined-up thinking or action. We have a dispute with Stagecoach over what money is being paid in Stroud district. We need a uniform system in which pensioners and other people who are entitled to use concessionary bus fares know what the system is and do not face the silly bureaucratic rules that damage the effectiveness of the system.

My third example is planning. Again, my hon. Friend and I bear the scars of that. We tried to oppose the idea that Stroud district came up with—I think it is still a mad idea—of plonking 1,500 houses south of the city

of Gloucester. That number has now been increased to 1,750. Those houses will not be built, because of the current problems, but the plans have had a huge impact. Subsequently, the regional spatial strategy came up with the idea of using the next-door site of Whaddon, which is also in my constituency but south of the city, as a future site. We have had a private argument about whether the RSS should have done that. However, the decision was wrong. It showed three authorities doing three different things: Stroud district council proposing the site, Gloucester city council opposing it and the county council sitting on the fence, saying, "We're not really in favour of it, but there's no alternative." Having talked to MPs and leading councillors, the alternative was to look at some element of dispersal. Many rural areas in my constituency suffer from a lack of affordable housing, yet that was not considered.

The problem is that the councillors just blame the Government, via the RSS, and my hon. Friend the Minister knows that, because he was in the firing line for that particular debate. That is wrong, as it is an abdication of responsibility by local government in the first place. Local government members sit on the RSS and in the regional assembly that created the RSS. If we had taken the right decisions locally, we could have moved forward in respect of the coherence of local government.

Mr. Parmjit Dhanda (Gloucester) (Lab) The system is so crazy at the moment that those competing authorities that are for ever disagreeing with each other often have the same members sitting on both authorities.

Mr. Drew: I agree. I have done it myself; people take one hat off and put another one on. It becomes increasingly ludicrous to pretend that one person can play two different roles; it would be much better if one person played one coherent role, so I totally agree with my hon. Friend on that.

Very quickly, my fourth example is something that I feel passionately about: the relationship between health, housing and social care. Housing is allocated within the districts. Health is in the domain of the primary care trust, which is now unified. That unified trust has done a much better job than the three primary care trusts that existed in the county. Social care lies with the county council.

I could wax lyrical, although I will not because of the shortness of time, about the way that that division impacts badly on the voluntary sector. I am a trustee of Care and Repair, which is a home improvement agency. A simple example of the problems that are created relates to the work of occupational therapists. Occupational therapists work for each of those authorities, and they often end up not knowing which of them should do a particular job, because of the way that the responsibilities are divvied out. More importantly, it cannot be good that those professionals are asked to work in that way.

So what are the advantages of a unitary authority? I have given four clear examples of where we could see improvement. The advantages to me are that we could clarify the strategy of local government, the delivery mechanisms, the responsibility and the accountability. Parish and town councillors should have a greater role. As many hon. Members know, I am a committed devolutionist. I believe that we should offer more responsibility to the first level of government, because it is often the best and most appropriate. I see that type of devolution as a real gain, and I know that I have the support of many of my parish and town councillors who want clarity in this area.

What we need to hear from the Minister today is how we can start the process in Gloucestershire. How can the people of Gloucestershire, rather than politicians and other people in established positions, have a view on this issue? The Government's preferred aim is to move to unitary local government, at the speed of whoever happens to be the slowest on the train. In Gloucestershire, we are among the slowest, but we want to go a bit quicker and find some form of coherent local government—better local government and government fit for the 21st century.

6.18 pm

Mr. Parmjit Dhanda (Gloucester) (Lab): I want to make one brief point about the savings that could be made by introducing unitary authorities.

The Government have been introducing a raft of unitary authorities around the country. In Shropshire, I believe that the savings made are of the order of £12 million. Cheshire is a local authority with six district councils and a county council. Its population of about 600,000 people is very similar to that of Gloucestershire. Cheshire is being divided into east and west, which is similar to the plan for Gloucestershire which my hon. Friend the Member for Stroud (Mr. Drew) has described. In Cheshire, people are anticipating savings of £16 million a year.

I know that my constituents are very interested in what they could do with that kind of money. First, they feel that taxpayers could benefit, because there would be the option to return some money to our taxpayers. There is also the option to do more in terms of flood defences, if that kind of money is available each year. Also, there are major projects, such as making the railway subway in the city of Gloucester disability-compliant, by putting in a ramp where we have steps at the moment. Such projects always seem to get left behind or fall through the gaps between different local authorities.

Big projects like that could come about. I have run surveys on this in my constituency, and I have had more than 200 responses, with 70 to 80 per cent. of people consistently saying that they want to reduce bureaucracy and take out a tier of local government. They want unitary authorities. I believe that Andrew North, the chief executive of Cheltenham borough council, is a brave man, who should be congratulated on what he has done. He has opened up a debate in Gloucestershire.

6.20 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It seems a long time ago now, but I opened the parliamentary day with your good self, Mrs. Dean, and now I am closing it, somewhat later than expected, with your good self.

It has been a real pleasure to listen to my hon. Friend the Member for Stroud (Mr. Drew), and I congratulate him on securing the debate. I am pleased that my hon. Friend the Member for Gloucester (Mr. Dhanda) caught

[Mr. Iain Wright]

your eye, Mrs. Dean. He was a fine ministerial colleague, and I pay tribute to the impressive way in which he represents his constituents in this House and elsewhere.

I know that my hon. Friend the Member for Stroud is passionate about this issue and that he has raised it in the House several times. He spoke in a Whitsun Adjournment debate in 2006, when he set out his views favouring a two-authority unitary solution for Gloucestershire, but acknowledged the merits of having a single unitary authority for the county, if necessary.

The debate takes place at an extremely significant time for local government in general and in relation to local government process. It is important for local government in general because of the economic situation. I think that everyone in the Chamber would recognise that local authorities have a role to play in helping us through the current situation. The problems underline the need for active government and an active public sector to protect the most vulnerable in society, correct flaws in the market and exert leverage to secure the proper role and contribution that is required from our private sector.

I believe passionately that local authorities are best placed to understand the needs of their local communities and to bring together public sector partners and business to tackle problems. They have a new leadership role in the sub-national review of economic development and regeneration, as well as the ability to determine local priorities and bring together partners within local area agreements, with the flexibility of funding that that entails. Local authorities therefore have the opportunity to help their local communities to mitigate the effects of the current situation and to lay the foundations for sustainable long-term recovery.

This is an equally important time for the process of local government restructuring. We are fast approaching 1 April 2009, when new unitary authorities will replace the existing two-tier structures in their areas. We have already heard that Gloucestershire is not part of the current round of restructuring, but the points that my hon. Friends have made are pertinent to the objectives of the restructuring process generally. Before I address the important issues that they have raised, I shall provide some background to the current round of local government restructuring.

As part of the wider debate about governance and the future of local government in England in the 21st century that my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs initiated when he was a Minister in this Department, a ministerial dialogue and round-table events were held to discuss these specific issues in early 2006. Interestingly, the second of the county dialogues took place in Gloucestershire and involved local authority members and officials from both tiers of local government as well as a range other local government stakeholders. Those events provided local government and its stakeholders with a genuine opportunity to discuss options and to put forward their views on the subject to central Government. It was not a debate about local government reorganisation per se, but the events took place in the light of changes occurring across the public sector spectrum.

Anecdotal evidence indicates that the ability of some local authorities to shape their communities, improve economic prosperity and provide high-quality services to local people can, as my hon. Friend the Member for Stroud has so eloquently demonstrated, be complicated by the two-tier structures in some shire county areas. In some cases, those arrangements have caused confusion and hampered the delivery of cost-effective services that addressed the needs of local people. We have heard examples of such cases today.

Having listened to the views that were expressed by all parties concerned at the time, the Government finalised their position in summer 2006. In October 2006, they published the local government White Paper, "Strong and Prosperous Communities", and the accompanying "Invitation to all councils in England". In issuing that invitation, the Secretary of State sought from local authorities proposals that would either enhance existing two-tier local government working arrangements, by creating pathfinders, or establish new unitary local authorities.

The invitation was about seeking proposals for new local government structures that local people could better relate to and engage with, and that could better provide the leadership necessary to promote the social, cultural and environmental well-being of places. It was about seeking structures that could provide the stronger strategic leadership necessary to promote economic development and regeneration. As I said, that strategic leadership is even more important in today's economic climate.

That original invitation outlined five criteria for successful proposals: strong, strategic leadership, effective neighbourhood empowerment, value for money and equity in public services—my hon. Friend the Member for Gloucester raised that point—affordability and a broad cross-section of support from partnerships and stakeholders. Throughout the process, those have been our criteria against which proposals have been judged. More importantly, they will form the basis of the judgment that local people will make about their new unitary councils and those who lead them.

It was left to individual local authorities, or groups of local authorities, to respond to the invitation as they saw fit. I understand that by the closing date of 25 January 2007, the Secretary of State had received five outline pathfinder proposals and 26 outline unitary local government proposals. For whatever reason—I do not know the local circumstances—there seemed to be no appetite for local government reform among any Gloucestershire authorities, and they chose not to respond to the invitation.

Mr. Drew: I hear what the Minister says, but sadly it was because of inertia. Even at this late stage, however, if one of the authorities concerned were to press forward with the idea of unitary government, would central Government respond to that?

Mr. Wright: I am coming to the key point that will respond to my hon. Friend's question.

At present, as my hon. Friend is aware, we have no plans for any further programme of invitations to councils to submit unitary proposals. However, we recognise that in some specific cases there might be areas where circumstances are such as to warrant a focused and

targeted invitation to the councils concerned. Legislation allows for that, particularly the Local Government and Public Involvement in Health Act 2007. I should make it clear that, as the Government explained in debates on that Act in the other place, such circumstances would be exceptional. For us to issue such a targeted and focused invitation, councils would have to make a very good case and present compelling arguments as to why there needed to be a move to unitary local government at that particular time. It would need to explain the special circumstances of the two-tier area involved and why it should be treated specially and subject to an invitation to the councils concerned to make their unitary proposals.

I shall be blunt: it would be wrong of me to encourage councils in general to work on unitary proposals, but in direct response to my hon. Friend's question, if we receive representations from a council wanting us to consider issuing an invitation to it and its neighbouring councils, we are legally obliged to consider that and to decide whether to do so. I hope that that clarifies the matter and helps him.

Local government has a vital role to play in shaping and leading the communities that it serves. It is the sphere of governance that is closest to the citizen, and I think that my hon. Friend agrees that as such it is best placed to hear and address the needs of local residents, and to understand and provide the local services that communities need. As I hope I have demonstrated, the leadership that it provides is essential to the economic, social, cultural and environmental well-being of places and communities.

Local government in all its forms, whether unitary or two-tier, is vital in creating and shaping successful places where people want to live, work and play. In the absence of structural reform in Gloucestershire, I would encourage all the local authorities and local partners there to work together with commitment and creativity to serve the needs of their residents to the best of their abilities, as my hon. Friends the Members for Stroud and for Gloucester have tonight.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes past Six o'clock.

Westminster Hall

Thursday 13 November 2008

[JOHN BERCOW *in the Chair*]

Internet and Video Games

[Relevant documents: Tenth Report from the Culture, Media and Sport Committee, Session 2007-08, HC 353-I, and the Government response, CM 7477.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Barbara Follett.]*

2.30 pm

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): It is a pleasure to serve under your chairmanship, Mr. Bercow.

This is an excellent opportunity to debate a subject that is of considerable concern to many people, and it was for that reason that the Culture, Media and Sport Committee decided to hold a major inquiry into the whole question of harmful content on the internet and in video games. During the inquiry, we had seven oral evidence sessions. The Committee visited the Child Exploitation Online Protection Centre, which is run by the Metropolitan police. It also visited Los Angeles and San Francisco in California.

Scepticism is often expressed about Select Committees going off on overseas visits. However, such visits are of value to a Select Committee conducting an inquiry of this kind. It needs to visit and talk to the companies at the heart of many of the issues. During our visits, we had meetings with Google, YouTube, MySpace, Facebook, Yahoo, Second Life, Piczo, and the two major games manufacturers—EA Games and Activision.

Mr. Don Foster (Bath) (LD): During the innumerable meetings that the hon. Gentleman had, did he have the opportunity to find out more about how parents can better control their children's use of the internet? During our last debate on similar matters, I recall that he revealed that his own son had illegally accessed various sites on the internet.

Mr. Whittingdale: That is an interesting point. Access to sites is not illegal. That is one of the matters that causes great controversy. I will come on to parental controls later, because the issue is central to the debate. I am grateful to the hon. Gentleman for raising the matter.

The visits that we paid to all those companies were hugely valuable in increasing our understanding. We would not have been able to prepare a report of the same detail if we had not made them.

I pay tribute to the Committee's specialist adviser, Mr. Ray Gallagher, who was hugely valuable in bringing his expertise to our assistance. I also pay tribute to the Clerk of the Committee. Select Committee Clerks do a hugely important job and seldom get recognised. It is a matter of huge sadness to me that Kenneth Fox, the Clerk who has served the Culture, Media and Sport Committee ever since I became Chairman, has now moved on. He will now assist the Children, Schools and Families Committee. I am sure that he will bring to it the same dedication and commitment that he did to us. He was an extremely good Clerk—and will continue to be. I was sad to see him go. His work contributed a great deal to the report, and it is only right that I should pay tribute to him. I also welcome his successor, Tracey Garratty.

The Committee decided to focus on this matter because of the degree of public concern expressed in the media and elsewhere. The obvious concern is the question of harmful content in the form of extremely violent material or highly explicit sexual material and the use of the internet by people who may wish to harm others, particularly children. However, they were not the only concerns. We rapidly discovered other areas of growing concern, such as the encouragement of suicide. I am glad to see that the hon. Member for Bridgend (Mrs. Moon) is with us this afternoon. I am sure that she will want to say more about that matter in her contribution.

Also of concern is the glorification of guns and whether it played a role in the murder of Rhys Jones in Liverpool and in the whole question of gang culture. The other area was anorexia and whether or not websites are encouraging young girls to harm themselves by ceasing to eat. Moreover, there is the question of the use of websites by extremist groups to incite people to join fundamentalist or terrorist organisations. There is also the issue of cyberbullying and the effect that that may have on vulnerable young people. I will come to the separate but related question of games later on.

Almost as soon as we had decided to conduct this inquiry, the Government acted as well by appointing Dr. Tanya Byron to conduct her own review. We were very impressed by the work that she did. Her report came out roughly halfway through our inquiry, and we were then able to take evidence from Dr. Byron and explore some of the recommendations that she made. We were conscious that we did not wish just to duplicate her work. We have attempted to build on her recommendations and to identify what, in our view, were some of the most important issues that the new UK Council for Child Internet Safety should address.

During our inquiry, there were two dramatic "Panorama" programmes, both of which focused on the activities of paedophiles in using social networking sites to establish contact with young people—ostensibly posing as young people themselves. It was the ease with which somebody could pretend to be a 12 or 14-year-old girl and strike up a friendship on the internet with another, but with very different motives. They would seek to groom that person to engineer actual, physical contact. Following those programmes, at least one person was identified, prosecuted and convicted. There is no doubt that such activity is a growing problem, and that, too, was something that we wished to address.

I want to preface everything that I say by making it clear that in my view, and in the view of the Committee, the internet is an extraordinary development that is overwhelmingly a force for good. The internet has featured in almost every inquiry that the Committee has undertaken in recent years—whether into gambling, tourism, ticket touting, or the future of the creative industries. It has revolutionised life, and there is no going back. We cannot disinvent it; nor would anyone want to. It has rapidly become a research tool, a source of information and knowledge, a means of communication and a

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convenient method of purchase. We do not wish to give the impression that we think that the internet is a bad thing that has to be controlled, even if it were possible to do so. None the less, the truth is that it can be abused. The purpose of our inquiry was to focus on those areas in which abuse can take place and to consider ways in which it can be tackled.

At the very extreme end, there is universal agreement over questions such as child sexual abuse, extreme obscene content and material designed to incite racial hatred. Everyone will agree that such things are unacceptable and that sites promoting them should be identified and taken down. The Internet Watch Foundation, which has focused on those specific areas, has been very successful. If any website that makes available images of child sexual abuse is identified, it is immediately reported and access to it is blocked by the internet service providers, which all sign up to the IWF and its requirements. Equally, sites hosted in the UK that are identified as having material of that kind are taken down. That is something that works reasonably well already. We were impressed by the IWF's work.

We were also extremely impressed by the work of the Child Exploitation and Online Protection Centre, which stressed to us that, in simple terms, what is illegal offline is likely to be illegal online. CEOP actively pursues criminals via the internet. We were shown work that CEOP had done that involved looking at pictures of children who were being sexually abused and using old-fashioned detective work to identify the locations. In one case, by seeing the packaging of a sofa in the far corner of a picture and identifying which brand it came from and where the brand was supplied, CEOP eventually managed to find the individual concerned and rescue the child.

At the same time, we were given a demonstration of the volume of material circulating through peer-to-peer file sharing. Before we arrived, one of the officers working at CEOP had entered a search term—I will not say it, but it is a commonly used search term for locating extreme child pornography—that returned some 80,000 different computers on which such material could be found and transferred through peer-to-peer file sharing. It is a huge problem. CEOP concentrates, obviously, on identifying the hubs in the file sharing system, obtaining their addresses and visiting the people concerned.

A great deal is being done already. However, it is much more difficult to deal with material that might be deemed perfectly suitable for adults but is inappropriate for children. We are familiar with that problem. For instance, in the film industry, films have long been classified as 18 or 15. In other words, there is no problem with adults viewing them, but the rules prevent children from seeing them.

Equally, there is the problem that what is unacceptable in some countries may not be unacceptable elsewhere. I refer, for example, to images of people brandishing guns. In this country, we are worried about that, because it may contribute to gang culture; in America, it is almost a rite of passage to be shown brandishing a gun. It is something that people are proud of as a constitutional right, and putting up a video of oneself doing so is regarded as completely unremarkable. A lot of companies are global, so they must wrestle with the fact that there are different concerns in different countries.

Much of our conclusion was based on the fact that evidence of harm does not necessarily exist. If one looks for empirical, hard, factual evidence that viewing a particular video or playing a video game has led someone to go out and commit a crime such as a rape or an act of violence, there is very little. Our view was therefore not that we should necessarily say "In that case, we cannot act," but that we should act on the probability of risk. Where there is a probable risk that someone would be influenced by exposure to such material, that is sufficient cause for intervention to protect that person from being exposed to it.

Tanya Byron did a great deal of work on that. Her other conclusion, which was shared strongly by the Committee, was that we cannot completely insulate children from material that might pose a risk. Part of educating children involves teaching them how to deal with risks. If we insulate them to the extent that they never encounter risks, they will not know how to deal with them.

Dr. Byron gave a good analogy. She compared helping children learn how to use the internet and computers to teaching them how to cross a road. The first time, we hold their hands, stop with them and make them wait until the lights change and it is safe to cross. Later, perhaps, we let them do it but watch them. It is a gradual process until we are confident that they understand the risks and know how to deal with them. A similar system for educating children to deal with risks on the internet is certainly the most desirable outcome. Unfortunately, it is not always possible, because parents themselves are often not aware of the risks. They may actually be less knowledgeable than their children about how to deal with them and what technological solutions exist. I shall return to that point.

In looking at the existing structures, we were told by a number of witnesses that another body that has done extremely good work is the Home Office taskforce, which represents many different parts of the internet industry. The taskforce has produced reports on social networking sites, for instance, which recommend codes of conduct and guidelines. It was put to us that we should not try to reinvent the wheel. Although it is a good thing that the Government are setting up the new UK council, they should not just start afresh but should build on the work done by the Home Office taskforce.

One concern about the Home Office taskforce was that its work was generally not very well known. There was also the question of resourcing. The UK council has already achieved a higher profile, which is obviously a good thing, and we strongly welcome its establishment. It needs to move rapidly to establish an agenda to agree with the industry what areas must be addressed as a priority.

There is a question of Government responsibility. It was striking to discover that different Departments have lead responsibility for different aspects of the problem. Indeed, when we came to take evidence from the Government, it was originally suggested that four Ministers should give evidence. That seemed a little over the top, so only three came: from the Home Office, the Department for Children, Schools and Families and the Department for Culture, Media and Sport. However, the Department for Business, Enterprise and

Regulatory Reform was obviously involved, and a case could be made for the involvement of the Ministry of Justice. Indeed, the Ministry of Justice just responded to a part of our report dealing with assisted suicide. I hope that one of the tasks of the UK council will be to bring together all the different bits of the Government in a clear cross-Government agreement.

We were slightly puzzled by the question of the chairmanship of the UK council. I understand that it is proposed to share it between the Department for Children, Schools and Families and the Home Office; but we are, of course, pleased to see the Under-Secretary of State for Culture, Media and Sport here this afternoon. We felt strongly that the DCMS should have at least as great an input into the work of the UK council as the other Departments. I look forward to hearing her tell us more about how she will work with the council.

We also felt that CEOP, which must continue to do its law enforcement work, needed more support in terms of resources. Its work load is increasing dramatically; the number of reports of abuse is growing, and its resourcing therefore needs to grow equally if it is to keep on top of things. It is extremely important, for instance, that CEOP should be able to respond swiftly to a report of possible abuse. If a child reports contact from somebody who may mean them harm, that must be dealt with as quickly as possible. It is not acceptable that it should sit for three days. I do not believe that that is happening at present, although some reports are tagged as less of a priority and not addressed for some while due to lack of resources. That was a matter of some concern.

There were specific areas that we felt needed to be addressed. The first was making information available to internet users—young people and, indeed, all users—about the material that they may encounter. One of the problems in dealing with material on the internet is that it is impossible to employ a watershed, unlike, for instance, material on television, which, if it is adult material, will usually be shown after 9 pm.

Equally, it is very hard to have age classifications for material on the internet. The only way, in terms of age verification, is if it is material that has to be paid for and therefore the user must have a credit card to do so. Generally, that will mean that the person concerned is over 18. However, an awful lot of such material is available for free and although there are different computer programmes that will now employ age verification, they are not by any means used universally and there is a huge amount of material out there for which no attempt is made to verify the age of the person trying to access it. We thought that there needed to be clearer rules or guidelines on the labelling of content, and that is an issue that the UK council should address.

In a way, it is a paradox that we spend a great deal of time worrying about the potentially harmful effect of material that is broadcast on television. The example was given to us by the chief executive of Ofcom of the debate that took place within Ofcom about whether it was appropriate to have a scene in "EastEnders" that depicted violence, which would go out at 7.30 pm, and whether that scene was too extreme for young people to see, and, if it was, whether it should be cut in some way. At the same time, of course, there is the internet where such content is available without Ofcom having any ability to step in and say, "That is unacceptable." Anybody who wishes to find violent or sexual content on the internet does not have to look very far before they do so.

Mr. Edward Vaizey (Wantage) (Con): I wonder if my hon. Friend has had discussions with the BBC about the programmes that it puts online. For example, there is a vigorous debate at the moment about the amount of swearing in post-watershed programmes, which, of course, people can then watch at 9 am on the BBC iPlayer, even though, as far as I am aware, the iPlayer does not contain any bleeping of swearing or any guidance for parents about whether a programme is suitable for their children to watch, because it is not guided by the watershed.

Mr. Whittingdale: My hon. Friend raises an interesting question. It is fair to say that I have had discussions on a number of subjects with the BBC in the past few weeks and that is one of them. He makes an important point, because it demonstrates why the watershed itself is becoming less and less meaningful. Now that we have video on demand, the iPlayer and personal video recorders in many homes, the idea that children cannot access material because it was originally transmitted at 10 pm is becoming ridiculous. That is not to say that we should abandon the watershed; I do not think that we should. However, we should be realistic and accept that it is not going to prove a particularly effective means of protecting children. I agree entirely with my hon. Friend.

We talked to various content providers that are responsible for online video content. Obviously, the most well known of all is YouTube, and I think that it is fair to say that we had a vigorous discussion with YouTube. YouTube is responsible; it has a clear view that its site should not be used for material that shows sexual content or very violent content. However, we had a slight discussion with YouTube—indeed, an argument—about how it dealt with that type of material and whether it could do more to identify it before it was made available.

The issue of pre-screening is very difficult and two concerns were raised with us about it. The first was the sheer volume of material. YouTube argued that 10 hours of video content are uploaded to its site every minute; in fact, I think that that figure has now gone up to 12 hours a minute. YouTube argued that that made it impossible for its employees to sit and look at all that material before it went online. The second concern that YouTube had was a legal concern about the effect of the e-commerce directive. It was concerned that if it attempted to identify potentially illegal material before it was shown, then it would become liable if it failed to spot something that was subsequently put online.

The Committee was not wholly convinced on either of those counts. It seemed extraordinary to us that the law could possibly suggest that an attempt to remove inappropriate content could lead to a liability for prosecution whereas standing aside and doing absolutely nothing about such content left YouTube protected and not liable to prosecution. That seemed utterly perverse and I find it hard to believe that that really is the case. If it is the case, it needs to be tested rather quickly and addressed, so that it is not the consequence of the e-commerce directive.

Equally, there is the question of whether a company can screen all the material that is uploaded. I accept that it is plainly impossible to sit and look at the 12 hours of material that are uploaded every minute. However, we felt that that did not mean that YouTube

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should not make an attempt at least to identify material that was likely to contain unacceptable content, or material that would possibly contain unacceptable content.

In particular, we were alarmed by the report of a video of a gang rape that was uploaded on to YouTube and viewed 600 times before it was taken down. We were even more concerned when we discovered, in the course of taking evidence, that the video had been flagged by a user as inappropriate and that YouTube had failed on the first occasion to take it down. Therefore, although the YouTube method of relying on its users to tell it when they come across inappropriate material is undoubtedly effective and results in the vast majority of such material being taken down, we felt that more could be done. We were impressed by one or two other companies, particularly MySpace, which told us that it pre-screened material before it was made available.

Obviously, there are other concerns. I had a meeting with some Finnish MPs two days ago who raised the serious issue of the man who murdered a number of children, having been shown brandishing a gun on YouTube just a few days before. I understand that YouTube is now changing its rules about showing videos of people brandishing guns. However, this is a difficult issue because, of course, nobody was to know that that man was going to do what he did. In retrospect, it is very shocking to look at his video, but the video itself is relatively harmless. What is shocking is what he went on to do after uploading the video. I do not in any way dismiss the problems attached to the issue of pre-screening.

There are possible technical solutions. For instance, computer software can now identify large quantities of flesh tones in a video. That is not to say that such videos are necessarily pornographic, but if they are identified they can perhaps be quarantined until somebody looks at them and decides whether or not it is permissible to show them.

I know that a lot of these companies are devoting resources to this area. However, we were slightly concerned to learn that the industry standard for the take-down time of inappropriate material is 24 hours, which seemed to us to be too long. Again, that is an issue that the UK council should look at.

One area of the internet that is growing in usage, particularly among young people, is social networking sites. Virtually every teenager in Britain is now a member of Bebo or Facebook and that is a part of their way of life. In the main, social networking is of great benefit: it is a means of communication; it saves parents a huge amount of money on telephone bills, as children can have instant messaging conversations that are entirely free; and children can make friends. All of those things are very valuable, educational and part of the process of growing up, and they are to be welcomed.

However, one of the concerns—perhaps the major concern—about social networking sites is that a lot of the users are unaware that when they post information on them it may not be visible just to the people whom they want to see it. In many cases, it is visible to anybody. It is very alarming to discover the extent to which young people are putting up details about themselves—where they go to school, their mobile telephone number, their interests, the name of their dog and all of these things—on a social networking site and not restricting that information to the people whom they want to see it. The person who was identified on "Panorama", for instance, had been able to strike up a conversation and talk about favourite pop groups or dogs and make friends because that person had used a social networking site to access that information about the person with whom they were communicating.

One thing that we felt very strongly was that, rather than waiting for the user to decide to restrict such information, the default setting for social networking sites should be set so that, at the very least, information is available only to the user's nominated friends. If users want to make that information made available more widely, it would be a matter for them. The assumption should be that people use social networking sites to tell their friends, not the entire world, about what they are doing. It would be easy to change default settings in that way.

There is an issue with the direct reporting of abuse. We were particularly impressed by Microsoft's Messenger service, through which the user can click a single button to be taken directly to CEOP to report a potentially abusive contact. There was argument among other providers as to whether it is necessary to go directly to CEOP via one click, or whether it is better to offer a range of bodies that might assist. We received evidence from CEOP that that service is valuable, and we think that it should be commended.

Providers such as Microsoft told us about the parental controls that they have installed in products such as the Xbox. There is not just the facility to apply filters. In the latest version of Windows, parents can obtain a record of every site that their child has visited. They can block not only individual sites, but sites that are classified under headings to do with sex or violence, for example. A range of parental controls are available, but it is part of the problem that most parents are blissfully unaware of them. Even if they did know about those controls, they probably are not capable of setting them. As the hon. Member for Bath (Mr. Foster) suggested, a large part of the problem is helping parents to understand how to use the technological solutions that are available.

We were impressed by the commitment that almost every major industry body, including internet service providers, social networking sites and hardware manufacturers, has shown regarding the protection of young people, but there is no commonality. Each has its own standards, some of which are tougher than others, and there is no agreement on the minimum take-down times that should be required. We feel that a self-regulatory industry body is still needed in that case. We were told time and again that the answer to the problem is self-regulation, not Government regulation, and I agree. If at all possible, I prefer self-regulation, and I think that a lot of good work is being done.

There is a single, self-regulatory body for advertising and the press to which all of the industry's players sign up as members and accept a code of conduct that applies across the board. Such bodies provide a highly visible place for people to go if they wish to register a complaint or raise an issue. Those bodies can adjudicate when there are complaints, publish their findings and publish statistics on performance, so that people know how different companies compare. That is the common approach in most self-regulatory systems, but not in this area, in which every company does its own thing. In

order to increase consumer confidence, there is a strong case for having an industry body to implement the recommendations of the UK council, with agreement, across the industry. That part of the structure is missing, and we feel strongly that that should be addressed.

We also feel that more needs to be done on media literacy and the education of children and parents. There is a case for having a single site, possibly on the Directgov network, to which people can go to learn about the various available options. There is also a case for drawing up a single leaflet to be supplied with every piece of equipment, be it a new PC, a new computer programme or any other component part, so that the same message is put across to parents and young people. Those recommendations could all be addressed by the UK council, and would increase child protection in that area.

I am conscious that others wish to speak, so I shall not speak about the final part of the report for too long.

Mr. Don Foster: Before the hon. Gentleman moves on to his final comments, when he will no doubt discuss the British Board of Film Classification and related matters, may I ask a question? The Committee praised a number of existing bodies such as CEOP, but its report expressed specific concerns about the funding of CEOP and the chairmanship of the intergovernmental body. The Government response did not address the funding or the role of the Department for Culture, Media and Sport in the joint chairing of the body. Does he not want to comment on the deficiencies of the Government's response?

Mr. Whittingdale: I did touch on those issues, although I did not point out the Government's failure to respond fully to them. The hon. Gentleman is right to say that the Committee expressed concerns about those things, and I hope that the Minister will rectify the Government's failure to respond.

The hon. Gentleman anticipated entirely correctly that I want to talk about video games in the final part of my remarks. I know that the right hon. Member for Leicester, East (Keith Vaz), who chairs the Select Committee on Home Affairs, has several concerns about this issue, so he has arrived at just the right moment.

Part of the problem with video games, as with video content, is that there is no hard evidence to prove that playing a game will lead someone to go out and commit a crime or physical attack. Nevertheless, we agree that there is a probability that it could occur, and there is anecdotal evidence to support that view. The Video Recordings Act 1984 provided that games should be classified, that it is necessary to restrict certain games to people over a certain age, perhaps 15 or 18, and that there would be games that should be banned entirely. That system has been generally successful since then, although there is often controversy about individual games. I know that the right hon. Gentleman has expressed concern about particular games in the past, and might do so again this afternoon.

Mr. Vaizey: I invite my hon. Friend, in the tone of his remarks, to make the point that when we talk about harmful video games and films, we are talking about a small minority. Does he agree that it is incumbent on hon. Members to remind the House as often as possible, when they talk about video games, that we have a most successful video games industry in this country, which employs thousands of people?

Mr. Whittingdale: My hon. Friend is entirely right. The video games industry is increasingly important and generates more money than the film industry. It is something that we are very good at. We are a creative nation, and many of the most successful games were developed here. We strongly support the games industry's efforts to ensure that it remains strong in this country and is not poached by other countries such as Canada, which is attempting to attract it there.

Keith Vaz (Leicester, East) (Lab): Let me apologise to you, Mr. Bercow, and to the hon. Gentleman for missing his earlier remarks.

The fact remains that some of those games, even though they are a minority, are very violent. The hon. Gentleman and I have both commented on the video internet game "Kaboom" in which people replicate the activities of a suicide bomber. It cannot be right that the makers of those games should choose such storylines to provide entertainment, especially on the internet, where our children and under-18s can access them more easily than if they were going into a shop to buy them, as with non-internet games?

Mr. Whittingdale: This is a very difficult area and "Kaboom", which has been around for a little while, is an interesting example. It is a remarkably crude, cartoon-type game and is not in the least realistic, as many games now are. It is undoubtedly tasteless and might be offensive to a large number of people. I suspect that it is probably distressing to anyone who has suffered a bereavement as the result of a suicide bombing. Does that mean that it should be banned? I am not convinced that it should, because it is so crude, and other games pose greater concerns.

Mr. Vaizey: May I make a point to my hon. Friend? In his response to the right hon. Member for Leicester, East (Keith Vaz), he has implied that "Kaboom" is somehow a legitimate video game that breaches the boundaries of taste, but it is not. It was created by an individual in his bedroom. To say that we should ban "Kaboom" is, with the greatest respect to my hon. Friend, slightly missing the point. "Kaboom" is not subject to any legal constraints. It cannot be submitted to a regulator to be classified, because it is made by an individual, effectively illegally, outside the mainstream, just as violent pornographic films or child abuse photographs are. It is not at all part of the mainstream video games industry.

Mr. Whittingdale: I agree with my hon. Friend. I hope that he noted that I did not say it should be banned, even if that were possible.

The games that clearly can be classified are those that are produced as a result of the efforts of thousands of people, with a huge level of investment. It is interesting that the most successful game in recent times, which caused queues around the blocks and had a massive launch around the world, was "Grand Theft Auto IV". That game is rightly classified 18. It has content that is not appropriate for children—indeed, the level of violence,

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the abuse of women and many other aspects of it make it an adult game. It is quite realistic: computer graphics can now look much more like real action, and games look much more realistic than those that we grew up with, such as the original "Space Invaders", which was primitive compared with what is now possible.

There is general agreement that it is desirable to have a classification system for games to identify those with adult content, and in one or two cases to ban them if they are too extreme—"Manhunt 2" is a classic example of that. One then reaches the argument, which was one of the most difficult that the Committee had to deal with, between the British Board of Film Classification, which currently has responsibility for classifying games, and the industry-led system, PEGI—the pan-European games industry system, which is used across Europe and is a self-imposed regulatory system. PEGI offers more information, using little graphic symbols that tell consumers about the content.

Two arguments impressed the Committee when it considered that issue. First, the BBFC has long experience in the area—it has been classifying games ever since the Video Recordings Act 1984. The BBFC has developed great expertise and become better at what it does, and it has adopted symbols that are universally understood. Many parents are not familiar with video games and do not really understand them, because they were not around in their youth. However, they understand an 18 film certificate, which has been around a long time, so everyone knows the meaning of the 18 symbol in a red circle on the front of the game. That is a valuable resource because it means that parents can, using their existing knowledge, say, "No, that is not a suitable game for you; you are not allowed to buy it."

That phrase, "not allowed to buy it", brings me to the second strength of the existing system, because of course the BBFC symbols are enforceable in law. We have been told that retailers will abide by the PEGI system where that is used, but in this country it is illegal for a trader to sell a game rated 18 to someone who is clearly under 18, which does happen.

Dr. Nick Palmer (Broxtowe) (Lab): I read the Committee's report with great interest and am listening with interest to the hon. Gentleman's speech. Does he feel that the focus on British sales of and standards for games conflicts with other parts of the report, given that the entire thrust of the industry is international? I play video games—I declare an interest—and am just as likely to buy or download them from abroad as from Britain. I suspect that in a few years it will be quite difficult for even the purchaser to know whether he is buying from Britain; he will just go to a website and place an order. A British-only system is surely a little archaic in that respect.

Mr. Whittingdale: That is the alternative argument. It is true that more and more games are likely to be made available online, but that is not to say that the BBFC system cannot be applied to them. Indeed, the BBFC is now successfully classifying online games, although not in all cases, I agree. Some games were always going to be made available from remote sites far outside the scope of any regulator. However, it is easy to develop a system in which there is an agreement by distributors to classify online games, which are then kitemarked for consumers so that parents in particular have the relevant knowledge when their children say they want to play them. It is true that PEGI is a European system, but the film classification system in this country is British, of course, and it has dealt with the fact that the vast majority of films viewed here sadly do not originate here. They come from Hollywood. Nevertheless, the BBFC system works.

The other strong argument is that the law is necessary. In my county, trading standards officers recently went out to make test purchases of 18-rated games using a 14-year-old. I am afraid a large number of stores failed the test and were told that they would be prosecuted if the failure were to recur. Not everyone will comply with a voluntary system—the force of law is needed to back it up, and the BBFC system offers that, through the provisions of the Video Recordings Act 1984.

Dr. Palmer: I notice that in, paragraph 199 of the report, the Committee responds to Microsoft's point by making the analogy with films. Surely the big distinction between games and films is that a film made in, say, Poland is unlikely to be available in any easily accessible form to someone living in Stratford, whereas the opposite applies to computer games. I can see that, up to now at least—I am not sure whether it will be the case permanently—sensible national regulation has been possible, but the video games industry cries out for international regulation. The main trouble with PEGI, it seems to me, is that it is only European.

John Bercow (in the Chair): Order. May I make the point that interventions, although they have without exception been of impeccable quality, are becoming increasingly lengthy?

Mr. Whittingdale: I am aware that I have perhaps occupied the Committee's time to the point of pushing my luck, so I shall draw my remarks to a conclusion. I acknowledge the hon. Gentleman's point. I am sure that, in the future, games will be made available online—indeed, films are now increasingly available online. That poses huge challenges to the enforcement of age verification standards and controls on inappropriate content. However, attempts are being made to adapt both the BBFC and PEGI systems to that fact, and the BBFC argued strongly to the Committee that it was better equipped to deal with the matter because it had the experience, expertise and resources needed. It was confident that it could take on the online challenge.

The Committee felt that the system that has been in place, administered by the BBFC, has been proved to work, and that that system, which commands the confidence of consumers, should be the one to remain. However, the argument is continuing. I know that the Government are consulting on the matter and the consultation is about to end. I am sure that the Minister will be interested to hear the views not only of the Committee, but of one or two hon. Members present this afternoon who may take a different view.

I have given a summary of several different issues highlighted in the report. We look forward to hearing a little more from the Minister about the Government's response, beyond what was set out in the formal published response, which, as the hon. Member for Bath suggested, fell short in one or two areas.

3.18 pm

Janet Anderson (Rossendale and Darwen) (Lab): I am grateful for the opportunity to speak in the debate, and I shall try to be brief, because I know that many other hon. Members want to participate. As the Committee's report said, the internet is becoming more and more a part of our lives: for communications, research and commerce, it is now an indispensable tool. However, anyone who regularly watches television or reads the press is likely to have become aware of growing public concern about the internet's dark side. That was something that the Committee particularly wanted to address.

As the Chairman of the Select Committee, the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), has said, there is particular anxiety about the use of social networking sites and chat rooms for grooming and sexual predation. Although those environments may appear to a child to be relatively private, with defined boundaries, a user's profile or an online forum may be open to thousands or even millions of other users who are all able to view, even if they do not actively participate.

We had an example of that type of problem in my constituency this very week. To quote from the *Lancashire Telegraph*, under the headline "Tory candidate's mock website shows social networking dangers":

"A spoof profile posted on the Friends Reunited website has prompted the Tory Parliamentary Candidate for Rossendale and Darwen to highlight the risks of social networking sites."

That shows how careful and vigilant we must all be when using such sites. I am not surprised that he has claimed that he has been the victim of a spoof profile on the "Friends Reunited" website, for it was indeed damaging. I contend that a sane and rational person aspiring to parliamentary office could not possibly have posted it. It said, for example, that his interests were:

"Making money. Drinking. Driving. Dining out on other people's expenses. Boogying. Bonking. Droit du Seigneur. Grinding the faces of the poor."

I will not go on to the section about me, but it was even worse. Perhaps most distressing was the box at the bottom, where people are invited to say who their "WeeMee" is. I think that a WeeMee is someone whom you admire, and it looked for all the world like a cartoon character depicting Adolf Hitler. I am pleased to say that that has now been taken off the website, but clearly many people would have found it distressing.

That rather raises the question why anyone would have wanted to pretend to be that person in that way. If those are his friends with whom he is reuniting, I would not like to see his enemies. The case also highlights the need for such websites themselves to be more careful about verifying that people who register with them are who they say they are, as the hon. Member for Maldon and East Chelmsford said. They must also monitor what is posted. As he pointed out, when we visited YouTube, we were concerned to find that it did not readily monitor everything that was posted, but relied on users to report inappropriate material to it. We state in our report our concern that:

"It is not standard practice for staff employed by social networking sites or video-sharing sites to preview content before it can be viewed by consumers."

As in the case of YouTube, some of them

"do not even undertake routine review of material uploaded, claiming that the volumes involved make it impractical."

The hon. Gentleman said that YouTube may be reviewing its policy. I very much hope that it does so.

Nowhere is this more important than in the area of child pornography and the grooming of children and young people on the net. As part of our inquiry we visited the Child Exploitation and Online Protection Centre, CEOP, which is run by the extremely formidable Mr. Jim Gamble. To give some indication of the success that CEOP delivers, I point out that it delivers a totally holistic approach, combining policing with the "Safer By Design" initiative and educational initiatives.

CEOP's latest performance results show that 131 children have been safeguarded from sexual abuse either directly or indirectly as a result of its activity. Of those, 18 have been identified through the examination of child abuse images. As the hon. Gentleman indicated, old-fashioned detective practices have been used successfully to locate the individuals involved. Some 297 arrests have been made as a result of CEOP activity and six organised paedophile rings have been dismantled or disrupted. In addition, since its launch, the "thinkuknow" education programme has reached 1.7 million children and young people between the ages of eight and 16 years, across all parts of the UK.

During our visit to CEOP, we saw a moving and rather distressing video that it had produced about a young boy who had communicated in a chat room with someone whom he thought was his age and had the same interests, and he arranged a meeting. It turned out to be a much older man. The most distressing things occurred when he got there. I will not go into details, because they are really not very pleasant, but we should be under no illusion about what is involved. CEOP does an excellent job, and I hope that the Minister will recognise in her response that the centre's resources should be increased. I hope that we will get a commitment that the Government will at least consider that.

On a lighter note, social networking sites do have their uses. When we visited Facebook, its staff told us in no uncertain terms about how Mr. Barack Obama, the President-elect of the United States, had used the site relentlessly and very successfully both to raise money and to get out the vote. For my constituency, I have set up a group on Facebook called "Say No to the Bus Lane on the A666 in Darwen". It already has 577 members, and I urge hon. Members to get on to Facebook, join my group and stop the bus lane.

3.25 pm

Paul Farrelly (Newcastle-under-Lyme) (Lab): It is a pleasure to see you in the Chair, Mr. Bercow, as a fellow parent of three young children. I hope that my remarks will be brief, and that you will put me right if I imply that you are as gadget-unaware and gadget-unfriendly as I am.

I welcome the Minister to her new role. She has been an excellent constituency MP and loyal servant of the Government, and a promotion was overdue. I know that her experience of public service extends to fighting apartheid in South Africa, as indeed does that of her Parliamentary Private Secretary, my hon. Friend—indeed, my great friend—the Member for Sittingbourne and

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Sheppey (Derek Wyatt), who has just limped out of the room. He used to be a—very active—member of the Select Committee before 2005, and he holds probably the most accolades of anyone in this place for his website and internet savvy.

I am pleased to have the opportunity to comment on our report. As ever, the Chairman of the Committee, the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), expertly and fairly steered our deliberations. He is always fair and gives a great deal of time to all points of view. Rather than repeat his remarks, I hope to reinforce a few of them at the end of my comments.

We should welcome the priority that the Government have already accorded this important subject, given the growth in the importance of the internet. I wish to put on record my appreciation to Dr. Tanya Byron for the review that she conducted, which led to the establishment of the UK Council for Child Internet Safety at the end of September. Its membership shows it to be a large body to say the least, so it was good to see an executive board established recently. It will be chaired jointly by two Cabinet Ministers—the Home Secretary and the Secretary of State for Children, Schools and Families. That board contains an impressive list of people with expertise in the field, with no fewer than 22 members including the co-chairs. I hope that it is not so big as to be unwieldy or deadlocked by competing interests. At the end of the day, I hope that we all have the safety of children and vulnerable people on the internet as our common goal. I shall return to the issue of membership towards the end of my remarks.

Notably missing from that board, of course, is Dr. Byron. I am sure that that was her choice, having already given impressive public service. I must say that when she gave evidence to the Committee, she was not only clearly knowledgeable but managed at the same time to be both forthright and diplomatic—a skill that evades many politicians, myself included.

Mr. Whittingdale: I shall point this out before the Minister does, because I am sure that she would. Although it is true that Dr. Byron has stepped aside, having done her work in that area, she has recently joined the digital review panel that has been set up by another new Minister, Lord Carter. Dr. Byron is still active in the area, which I think all of us are pleased about.

Paul Farrelly: I thank the Chairman of the Select Committee. I apologise—I have not come forearmed with a comprehensive list of quangos and recent establishments.

Keith Vaz: Why not?

Paul Farrelly: Life is too short.

We interviewed many people, and Dr. Tanya Byron was certainly one of the most impressive witnesses to have given evidence in my three years on the Committee. She certainly disarmed me when she said, following a particularly hard and robust session of questioning representatives of YouTube and Google, that she found me scary. I have rarely been silenced so effectively and comprehensively. I did not know what to say.

Like you, Mr. Bercow, I have three young children. They are aged nine and a half, seven and two and a half. When we started our inquiry, like many parents I was rather wary of displaying my ignorance about the internet, social networking and gaming. When it comes to video games and consoles, my wife is tantamount to being the Taliban—they are banned, because of the time that she fears they will take away from reading, learning music and other activities. I am very much one of those parents who, as Dr. Byron put it, do not necessarily

"feel equipped to help their children"

in that respect.

Over the summer, I became aware of certain things following our report. The growth of video-sharing sites such as YouTube spans video and what we traditionally call the internet. I was watching the funny series of excerpts along the lines of the German film "Downfall" on that site. They picture a number of characters, from Alex Ferguson complaining about the impending loss of Ronaldo, to my right hon. Friend the Prime Minister trying to find voters in Glasgow, East. Frankly, it is the really bad language that makes them funny to adults, but I do not necessarily want my children to be exposed to that. That is a real issue in terms of classification for the safety council to take on as it proceeds.

My ignorance was reinforced last night after a discussion about the very innocent children's Christmas party that my right hon. Friend the Member for Leicester, East (Keith Vaz) is organising again this year. In the course of my children's strict rations of "Club Penguins", "Super Mario", "RuneScape" or "Yu-Gi-Oh!" online, and their sourcing of endless cheat engines for video games such as "Age of Empires", my laptop screen at home had become clogged with all sorts of icons and programmes that had appeared from the internet. Most pernicious was a purported anti-virus programme called "Virus Recovery 2008"—I hope that the authorities take note of that name—which was paralysing the computer. It is a particularly stubborn piece of what is technically termed "adware", which tries to sell a programme. It is probably a complete con. It implied that my laptop was stuffed full of trojans, worms, viruses—all fictitious, no doubt.

Until last night I had never deleted a programme in my life, so after lecturing my son I was run through the process by a castigated nine-year-old: toolbar, settings, control panel, Add/Remove—and we could not find it. I then got a lecture that it was probably a ghost programme hiding somewhere else, and so it was. It was duly deleted and my son was out of the dog house, and I certainly learned much more than he did. My awareness of my ignorance was deepened. That experience and this inquiry have made me only too aware of the importance of knowing what our children are doing on the internet, particularly when we are much less computer savvy than they are.

I want to focus on a few main issues that are outstanding with regard to the inquiry report and the Government's response. As the hon. Member for Maldon and East Chelmsford has stated, we were all shocked at the complacency of Google and YouTube in particular. They pleaded that pre-screening was simply uneconomic and impractical, and that it did not work to pre-screen content that was uploaded, or to screen it in any way for harmful content before responding to complaints by

users who flagged up that content. We did not find that persuasive because other firms, including MySpace, which has been mentioned, certainly do that.

It was discouraging to find companies such as Google and YouTube hiding behind the e-commerce directive as an excuse for not undertaking that activity. I am sure that it is more a question of profitability than it is of being unviable. We were impressed by many of the companies that gave evidence, but certainly not by the company that recently showed a video, which the hon. Gentleman outlined, that purported to be a gang rape. We also had the experience of the company that showed the young child on Merseyside who was shot dead, and the sites that glorify gang violence.

There is also the issue of that small tail of internet service providers that are failing to co-operate in blocking illegal content from the internet, which the Government and the new council will make it a priority to address. We were certainly impressed by the facility that Microsoft had afforded UK users, of having one clear button to report harmful content and problems. We hope that the council and the Government will urge the industry to come to an agreement to follow that model in the UK, which has been adopted by the local management of Microsoft in this country.

I welcome the Government's response that the issues relating to the e-commerce directive need to be clarified so that it does not have the unintended consequence of making it more difficult for internet-based companies to remove content or to edit their sites, for fear of being complicit and of being held to account. That would be nonsense.

Like other colleagues, during the investigation I was impressed by the work and dedication of the CEOP Centre, headed by Jim Gamble. The Government have accepted its importance as a body with expertise from the voluntary sector, as well as from the industry and regulators, and that it is making great strides towards getting to those people who would harm our children and vulnerable people. It appeared that some questions about funding and the way in which CEOP can push its agenda compared with other countries were outstanding. Australia was a notable example where television advertising is funded and regularly seen. I hope that questions about CEOP's funding are addressed urgently.

With respect to video games, which are banned in my household, except when they are streamed over the internet in the hour that my children are allowed, I would like the Government and the council to resolve the issue of dual classification, as it is confusing. We went for classification by the British Board of Film Classification because we felt it was more familiar, although that is perhaps a reflection of our age and of having gone to the Wrexham Rio when we were growing up. It is important that any confusion is resolved as soon as possible.

Mr. Don Foster: I am grateful to the hon. Gentleman for his honesty in saying that the reason for choosing the BBFC was familiarity, but will he acknowledge that, for example, the campaign to make people familiar with guideline daily amounts on food labelling took two years to get the message widely accepted by the public? Were there to be a campaign in respect of the PEGI classification system, within a short space of time that would be equally familiar.

Paul Farrelly: I take that point and the points made by my hon. Friend the Member for Broxtowe (Dr. Palmer) about the prevalence of downloading games from the internet and not buying them in hard copy, which may move us more towards a PEGI system than the one with which we are more familiar. The point is that we need to have the matter clarified, so that the single classification can be taken up and become more familiar, and so that parents can be more confident in how it works.

I conclude with two questions for the Minister. As the hon. Member for Maldon and East Chelmsford said, we recommended that alongside the new council, as part of the jigsaw, there should be a body to enforce standards, in a self-regulatory way, in the model of the Advertising Standards Authority. The Government did not accept that, and I hope that she will say more about why. I urge the council in particular, as it develops its child internet safety strategy next year, to consider that suggestion, which does not reflect any criticism of the council's role or its work.

We also recommended that for clarity a single Minister should be responsible for this matter. The Government have not accepted that and the reason they have given—that it is up to the Prime Minister to decide on appointments—is the traditional politician's way of side-stepping an issue when asked if they would like a particular job. Perhaps the Minister could say a few words about why the Government have not accepted that recommendation, or why a Minister from her Department, either herself or Lord Carter, the impressively titled Minister for Communications, Technology and Broadcasting, does not sit on the executive board of the council.

I reiterate that all on the inquiry felt that the Government deserved plaudits for the serious way in which they have taken this issue, and for setting up the Byron review and pursuing its conclusions with the new UK council. I hope that some of the further issues will be addressed in due course, and I hope that the Minister will make it part of her new role to ensure that there is effective joined-up government that includes the involvement of her Department.

3.39 pm

Mr. John Hayes (South Holland and The Deepings) (Con): I intend to speak very briefly for three reasons: first, because I was not able to be here at the beginning, for which I apologise; secondly, because I know much less about the subject than almost every other Member in the Chamber, judging from what has been said already; and, thirdly, because I have only a few things of import to offer.

However, I speak with the benefit of being the father of two small children, rather like you, Mr. Bercow, and I have just as much concern for their welfare as I know you have for yours. As such, I am intimately and personally involved in and, frankly, worried about, these matters as all parents are concerned about the future of their children.

I want to make three points. First, the technology is highly interactive. The difference between it and other media—I speak as someone who spent his time before coming here in the world of information technology—is that it is interactive. Film, video and the whole games network are merging with other technologies and media,

[Mr. John Hayes]

and that makes the task of trying to put in place adequate control extremely difficult. Indeed, it is much more difficult than when we were looking largely at printed material or even film and TV alone.

Secondly, the situation is highly dynamic. Video games and their like are, by their nature, rapidly changing. Providers are always anxious to take the next step, to go to the next level and to push the boundaries still further, and that dynamism requires a public policy response which itself is highly flexible and responsive. It is not enough simply to make judgments and then assume their worth. They must be regularly formally reviewed. The self-regulation that came out of the Byron review needs to be examined in some detail to test its effectiveness.

The third thing about these media is that they are pervasive and intrusive, and, for that reason, hard to self-regulate. It is hard to make parental choices that stick, or to know at all times to what children are exposed. When my son goes to visit his friends, I do not know in detail what their parents' views are on such things. They may be somewhat different from mine. Those are difficult things to make judgments about, because I cannot stop my young son visiting perfectly respectable and decent family friends.

There are some arguments that I hope we will not hear in the winding-up speeches. I do not think that we will hear them from my hon. Friend the Member for Wantage (Mr. Vaizey), who has a distinguished history on this subject. He looks at such matters in considerable detail and takes his responsibility seriously. He is a prince among shadow Ministers, if I might put it that way. Nevertheless, I hope that we will not hear the tired old argument about freedom. Civilised life is characterised not by our capacity to do as we will, which, by the way, we share with the apes, but by our ability to choose to do what we should. That is what civilises us, and trailing the old argument about liberty will not be helpful to the debate.

The second argument that we might hear from the Minister is about information, as though exposure to more and more data is of itself a good thing. Children are now exposed to all kinds of stimuli, influences and information to which previous generations of young people were not. But as T. S. Eliot asked:

"Where is the knowledge we have lost in information?"

We are drowning in a sea of data, but I suspect that the comprehension, understanding and simple wisdom which transcends the ages are no greater but are, as that great poet observed, being lost.

Thirdly, I hope that we will not hear anything about how desirable it is that people are made aware of what is explicit, that somehow that will protect them, and that their knowledge and exposure to such things will allow them to make choices to avoid them. Generally speaking, that which is implicit is preferable.

With those few thoughts, and mindful of the greater wisdom of the shadow Minister and the Minister, I draw my remarks to a conclusion and look forward to hearing from them.

3.44 pm

Keith Vaz (Leicester, East) (Lab): I apologise to you, Mr. Bercow, and to the House for being late for the opening speech by the Chairman of the Culture, Media and Sport Committee, the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), but in the few moments that I heard him I listened carefully to what he had to say. I commend him and the other members of the Select Committee who have spoken today for an excellent report. It deals with an important subject that needed and merited an investigation, and I am delighted that the Committee was able to investigate it.

The hon. Member for South Holland and The Deepings (Mr. Hayes) does not have to apologise for not being an expert. He is an expert, because he is a parent. He is rightly concerned about the effects, harmful or otherwise, of video games on his children. The issue began as an elitist one—not many Members of the House were concerned about it—but, with the spread of video games, more and more people are voicing worries.

It is a great pleasure to serve under your chairmanship, Mr. Bercow. I am sure that if you were not in the Chair you would be participating in the debate. Perhaps that is why you were asked to chair the proceedings.

The Minister has moved to her new responsibilities, and I congratulate her. I met her 26 years ago, when I was the prospective candidate for Surrey West in the European elections. She was then a young girl, of course, but she was my press officer. Every week, she put out press releases on my behalf. I lost the election by 50,000 votes, but she was very enthusiastic, and it was no surprise to me when my first ever press officer ended up as a Minister. She does a terrific job, and I am sure that we will hear further from her.

I am not sure whether the hon. Member for Wantage (Mr. Vaizey) is a prince among shadow Ministers, as the hon. Member for South Holland and The Deepings said. I will be interested to hear what he has to say, because I spotted him in Portcullis House having a cup of coffee with representatives of the Entertainment and Leisure Software Publishers Association. Let us hear what he has to say when he responds to the debate.

I first became involved in this issue when the son of one of my constituents, Stefan Pakeerah, was murdered in Leicester. The murder mirrored scenes in a video game called "Manhunt". Warren LeBlanc was sent to prison, and Stefan Pakeerah is dead. Stefan's mother started a campaign about the harmful effects of video games and got me involved in it. I pay tribute to her for all the work that she has done.

As soon as I took up the issue, I became the subject of much internet abuse from those who felt that there should be absolute freedom in dealing with video games. I am not sure whether I got a website dedicated to opposing me, as my hon. Friend the Member for Rossendale and Darwen (Janet Anderson) did. I am fascinated to know who her WeeMee is.

Janet Anderson: It was not my WeeMee.

Keith Vaz: No, it was not my hon. Friend's WeeMee.

I was once voted the third most unpopular person in the world, after Hillary Clinton and Arnold Schwarzenegger, by the readers of one of the video game magazines. I suppose that I should take that as a compliment, but it points to the almost hysterical approach that the video games industry and the newspapers that support it sometimes take to anyone who manages to raise such matters in the House.

What we need first of all from the industry is responsibility and partnership. We are all on the same side. We are saying clearly that for someone who is over 18, there should be no censorship or attempt to stop them seeing or doing whatever they want as far as video games are concerned. My interest has always been to protect those who are under 18. Some are our children, of course, but it goes beyond protecting our own children. That is my only concern—not to stop adults buying games but to ensure that harmful games do not fall into the hands of young people and children.

There are three ways in which that could be done. The first is to ensure that there is a clear statement of the age limit on the vidéo game itself. Unfortunately, it is still far too small. When we first started this campaign some years ago, it was the size of a 1p piece, and now it is the size of a 50p piece; but I saw and still see no reason why an indication that something has an 18 certificate and is unsuitable for children and young people under 18 should not be splashed across an 18-plus video game, as it is on other material with adult content.

One problem in dealing with the Government on this issue is that so many Departments have a vested interest in protecting their own territory. The DCMS wants to protect the industry, because, as the hon. Member for Wantage reminds us, it is a multi-million pound—perhaps multi-billion pound—industry based in London. The fear is that if we get any tougher on the industry, it will go off and start operating from Frankfurt, so we have an interest in making sure that the industry stays here, and we should be careful what we do about controlling the content of video games.

I say to the Minister—I know it is not her responsibility but the Attorney-General's—let us ensure that retailers that sell these games to under-18s are prosecuted. I would be interested to know from the Minister how many prosecutions there have been of retailers who have sold—*[Interruption.]* She is looking around, but I do not think the answer will come. This is one of the problems with how the Attorney-General's office operates: it simply does not give us these figures, and we would like to know. I am not sure whether the Committee considered that point, but prosecuting those who sell adult video games to under-18s is important.

The retailers have a responsibility. Sir Trevor McDonald, on his television programme a few years ago, sent some people aged under 18 to try to buy video games from some of the big supermarkets. They returned with the video games in their hands, which was proof that the retailers were not taking responsibility.

The distinguished Chairman of the Culture, Media and Sport Committee said that he did not think that there was sufficient evidence to show a link between the content of video games and subsequent actions by people as a result of watching them. We now have research on that from the university of Iowa, and previously there was research from the university of Missouri. One thing that the Minister can do is ensure that she commissions more research, although not necessarily from those who have a view one way or the other—it should be independent research. I hope that that will be done, because that is a good way to take the Select Committee report further. If it could be done, it would be of great importance.

As the hon. Member for South Holland and The Deepings says, games are interactive. The industry says to us, "But sometimes young people go in to see an 18-plus film by mistake, or an 11-year-old or a 10-year-old is taken into a 12A." The new Batman film, "The Dark Knight", although it had a 12A certificate, was really a 15, so that happens. My point, however, is that games are interactive—one is expected to do something as a result of seeing the violence on the screen. It is not the same as going to watch something at the cinema.

I remind hon. Members that, when I mentioned the Pakeerah case, the industry representatives said to me that the judge and the police made it clear that they did not think that "Manhunt" and the actions in that game had an impact on Warren Leblanc. They said that, yes, the video was in his house, but they did not think it had any effect. However, just last week, on 7 November, to quote *The Sun*,

> "A teenage sex beast who attacked women in an imitation of Grand Theft Auto was locked up yesterday. Ryan Chinnery, 19, struck after obsessively playing the violent computer game, a court heard. He drove around at night targeting women he wrongly thought were prostitutes. Judge Philip Statman said Grand Theft Auto showed 'scant respect for women' and Chinnery's vile acts 'mirrored' the game."

Even the prosecutor in that case, Eleanor Laws, said:

> "Chinnery's love of the 18-rated game 'may go some way to explaining his attitude towards women'."

In "Grand Theft Auto IV", the player assumes the identity of a criminal carrying out operations for his mobster bosses. To move up the food chain, characters drive around carrying out increasingly brutal missions, typically robbing banks, drug dealing or gunning down members of rival gangs. Violence is central to all the tasks and, when not busy on a mission, players are free to roam the streets to strike at people in a sadistic way. That is fine if players are over 18—well, it is not fine, but I can understand why those over 18 may want to buy and play such a game—but I am concerned about the effect of such games on young people if they fall into their hands. That is why I urge the Minister to accept what is in the report, but take it further, because it is not the end of the matter.

I was impressed by Tanya Byron. She met Mrs. Pakeerah in my office as part of her review and was all the things that my hon. Friend the Member for Newcastle-under-Lyme (Paul Farrelly) said of her. Her report was excellent and was clearly conducted by someone who knows what she is talking about. She made some specific points about children, which need to be addressed.

I welcome the report and I congratulate the Chairman of the Committee and its members. Their report will be a useful tool in our future discussions. Whether we support or do not support what is going on, it will be useful for us to be able to read the report. I thank the Committee for its hard work.

3.56 pm

Mrs. Madeleine Moon (Bridgend) (Lab): Although I am not a member of the Committee and I played no part in its compilation of the report, I am grateful for the opportunity to raise some of the issues that have been directly affecting my constituents and that, perhaps, reflect some of its recommendations.

I first became aware of many of the issues when the deaths were taking place in Bridgend and media coverage suggested that an internet-based death cult was operating and influencing some of the young people in my

[Mrs. Madeleine Moon]

constituency. I examined that claim and found no basis in fact for an internet death cult in operation, but that took me along a line of exploration that has had myriad repercussions for me. It took me to the so-called suicide recipe sites, which do more than give people advice on how to take their life. Some of those sites are so truly pernicious and evil that they actively seek to persuade those who enter them to take their own life.

I have been working with the Ministry of Justice on how we can use the review of the Suicide Act 1961 to look at drawing the activities of such sites into the classification of assisting a suicide. I have also been seeking meetings with the internet service providers to persuade them to actively bury such sites, so that they are made more difficult to access, and that, as an alternative, where people are looking for information in relation to suicide, the ISPs promote information, advice and guidance to help people who are potentially suicidal to access supportive information and supportive sites. I commend those ISPs that are taking those steps, although not all are.

The internet can be used successfully. An Australian website called Reachout.com.au, which is now looking to expand into Ireland and the United States—I hope that it would be looked at positively here in the United Kingdom—cut the number of young people's deaths, because young people had a website they could go to for confidential information, where they could test whether they needed help and support in respect of their feelings and confusion—relating to self-harm, for example—and which could help them find out where to go for such support. Positive information can be accessed on websites and it is imperative that we direct vulnerable people to them. I have found the Samaritans and YoungMinds sites to be particularly helpful.

That led me to look at social networking sites. Many of the youngsters in Bridgend who died had been using such sites. I have been impressed at how often the front pages of such sites immediately provide hyperlinks to supportive information, and we must work with those sites to promote that more proactively. Areas that we have not looked at but need to look at include advice to young people on the risks of providing not just information that may allow them to be targeted by people who may want to gain access to them and to hurt them, but photographs and comments that may be utilised elsewhere. I hope to reveal some details later.

A great deal of distress was caused to many of the families in my constituency by the print media and their websites, which took some of the comments and photographs from social networking sites and used them in multiple press reports. In fairness to our print media and thanks to the work of the Press Complaints Commission and its willingness to collaborate and to work with me and families, it was possible to issue desist notices, and such photographs are no longer constantly used whenever there is a story. However, it is not possible to issue similar desist notices for online use of such photographs.

That led me to issue two internet safety leaflets: one for parents and one for youngsters. I had a lot of help from Dr. Tanya Byron when putting them together. She agreed to look at them and to check the content to ensure that they complied with her recommendations. They are on my website if hon. Members want to use them in their constituencies. I took them into all my primary schools.

Mr. Whittingdale: The hon. Lady raises an interesting point. I have debated the matter with the PCC, and I understand that if a photograph is put on a social networking site and access is then restricted to a small number of friends, it is regarded as a private photograph which should not be published. The problems arises when there is no privacy restriction, so the photograph is available to anyone. Then, the press say, understandably, that they should be entitled to print it.

Mrs. Moon: The Chairman of the Select Committee is absolutely right. That is a problem, but the big problem is that most young people do not understand the different tiers of access, and they are generally making their pages open. It was interesting that when I went into my schools and talked to the youngsters, I found they had no understanding of that at all. For example, they did not understand that some of the photographs that were taken from social networking sites of some of the youngsters in my constituency had never been seen by their parents—the first time they saw those images of their children was in a newspaper. The parents had no idea of the comments written on social networking sites. They saw them for the first time in the national press, sometimes when they or a family member had gone into a newsagent to buy something and saw a photograph of the youngster in the public realm—an image they had not seen before. That caused huge distress.

I asked the youngsters and their parents to give me feedback on whether they found the leaflet helpful. Again, many of the comments I received are on my website. It was fascinating that when I went into every class in every primary school and asked the children how many of them had access to the internet, 100 per cent. of hands went up. When I asked how many of them had social networking pages, 100 per cent. of hands went up. When I asked how many of them helped their parents to understand the internet and to do things such as programme the recording of television programmes, 100 per cent. of hands went up.

Mr. Whittingdale: The hon. Lady raises another interesting point, which I discovered to my cost. She describes her experience in a primary school, but all social networking sites state in their terms and conditions that users should be 13. That is simply ignored by the vast majority of young people.

Mrs. Moon: Indeed they are, because youngsters lie about their ages. The problem is how to prove their age. They are so savvy—far more so than we are.

I am not the mother of a young child; I have a 24-year-old son who is extremely savvy about the internet. However, I remember when, many years ago, he was in a chat room and was talking to what he thought was a young girl. When I saw him drawing a map of the inside of our home, showing where the doors and windows were, and what equipment was in the house, I asked him what he was doing, and he said, "Well she sent me a description of her house." I then asked him how he knew that she was not a burglar seeking access to our

house and finding out where the easy pickings were. He had not thought of that. Sometimes, as parents, we must put nasty thoughts into our children's minds about how to keep safe on the streets. We all talk about stranger danger and about people approaching our youngsters in the street, but we must now teach them about internet stranger danger as well.

My hon. Friend the Member for Swansea, East (Mrs. James) came to me about accessing someone on Facebook whom she could talk to. One of her constituents had come to her following the death of her baby. She had gone on to Facebook looking for a support group, which the social networking sites are excellent at providing. She was extremely distressed when she came across a group on dead babies, which had posted comments such as, "Dead babies make me laugh" and, "I like licking chocolate off dead babies." Despite a complaint being made, that group still exists.

In our discussions, the PCC agreed to look at the management of online newspaper sites, where there is little regulation. I had a meeting with some of the editors of *The Sun* to express the families' distress at its online site, which enabled people to click for a video show of the faces of all the young people who had died in my constituency. When I pointed out the bad taste of that, it was quickly taken down, and I commend *The Sun* on that action. Often different people work in the newsrooms and on the online site. That is a matter we need to consider.

More recently, I was introduced to YouTube. I was absolutely horrified by what I found there. It was brought to my attention by an e-mail from a relative of one of the youngsters who died in my constituency that a number of videos had been posted on YouTube that highlighted the deaths of young people in Bridgend. I looked at some of those videos, and I have to say that I wonder what goes through the minds of some people. Despite the fact that my constituent had tried to contact YouTube several times, she could not get the material removed. I have had one of the sites taken down—in fairness to YouTube it did take it down—but others are still there. The one that is particularly distressing to the relative I have been contacted by is still there.

Briefly, I would like to read some of the comments posted by people on the site. One of the comments suggested that the deaths in Bridgend were okay because the people were all Welsh. It was all right for Welsh people to die—in fact, the world was a better place for the death of these Welsh people. That comment has now been taken down. I will censor the comments from the site because no decent person writes such things and uses some of the language used. The person who posted the video referred to the sister of one of the young men who died as a retard and went on to state:

"who cares if your brother committed suicide? why do you have family that kill themselves to start all this...and to get found dead".

Further comments state that it is

"not my fault your family is retarded and shooting themselves, who do you blame usually? god? people from outside Bridgend?"

and

"its retarded failures like you who are thankfully killing themselves off because they realised they are useless".

As hon. Members can imagine, I have had to keep to just some of the repeatable comments posted alongside these videos.

Mr. Hayes: The important thing about what the hon. Lady has just said is not that the people who read those comments would themselves feel those sentiments and share those ideas, but that they would be affected by them. When some are brutal, we are all brutalised. It is important that we understand the ripple effect of such malevolence on the whole of our society. I restrict myself to "Strictly Come Dancing" on a Saturday and avoid all exposure to such things. I feel better for that and want all my children to be like that too.

Mrs. Moon: I completely share the hon. Gentleman's views. Sometimes, one gets too old for the changing values of society, and I am afraid to say that I think I am at that point.

Many of these videos have been made by reusing the photographs lifted from the social networking sites, interspersed with pictures of people hanging themselves and executions in Iran. Oddly enough, they have also been interspersed with pleasant pictures. The most alarming aspect is what that tells us about the use of people's images and the lack of a family's capacity to control the use of photographs of their dead family members. The Chairman of the Select Committee, the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), referred to cyberbullying. I consider this to be cyberbullying. I consider those comments to constitute cyberbullying and I also consider the refusal to take down images that cause huge distress to families and their friends to be cyberbullying.

This week, I was sent an online game to look at. The online game is called Billy Suicide. Players of the game are encouraged to stop Billy shooting himself in the head. They are encouraged to keep Billy active—to move him around the room or get him to play his guitar—and to monitor his depression, get him a cup of coffee and do things to stop him taking his life. When people playing the game do not do that, he shoots himself in the head. Someone has said to me, "Well, it's just the same as the tamagotchi games." In those games, if someone does not look after their pet, it gets fleas and dies.

What sort of society do we want? What sort of society are we promulgating? I would welcome the censorship of that online game. We must set limits and boundaries when we bring up our children. As a society, we set limits and boundaries on individual behaviour. We must start setting limits and boundaries in the online world and in cyberspace. If we do not, we will give our youngsters access to information and standards that, in fact, destroy the limits and values we set in the real world. As we know, sometimes our young people spend more time interacting in the online, unreal world than they do in the real world.

I am worried about the role that these sites play in relation to social contagion, which is where access to information about suicide—the normalisation of suicide and its social acceptability—makes it more likely that others will seek to take their own lives. We must take responsibility for the distress to the families and friends I have mentioned. We must also take responsibility for prolonging the grief of those families and friends, because that adds to the risk that a member of that family will take their own life.

[Mrs. Moon]

The Press Complaints Commission is making progress on the matter, but I agree that an industry body is needed. It is imperative that we have an 0800 number that someone can ring to get a site taken down quickly. That is something I hope will come out of Lord Carter's review. My constituent had been trying to get a site taken down for two months before she came to me—two months with no action. We cannot allow such behaviour to continue. It is too complex to track down the person in these agencies who will allow change to happen. The public need to be able to send through their comments quickly.

I have highlighted the impact of the industry on just one small community in one small area. That impact has been devastating and has blighted the lives of many people. I am so grateful that the Committee has taken the opportunity to make these recommendations, and I hope that steps will be taken across Government to improve a totally unacceptable unregulated state of affairs.

4.19 pm

Mr. Don Foster (Bath) (LD): I welcome you to the Chair, Mr. Bercow. I congratulate the Culture, Media and Sport Committee on an excellent report. I particularly commend the work of the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale)—the distinguished Chairman of the Committee, as he was described by the right hon. Member for Leicester, East (Keith Vaz), who is the Chairman of the Home Affairs Committee. I also praise the Government, because they have given a thoughtful response to the CMS Committee's report and recommendations.

My only quibble was with the Committee's brief. I would have liked the Committee to include in its deliberations internet gambling. As we have heard, there are concerns about age verification in respect of the use of social networking sites. There are also concerns about the way in which young people can access gambling sites on the internet. I understand from the Chairman of the Committee that that issue might be considered in the future.

Everyone present will be well aware that there are 1.4 billion internet users worldwide. That number is growing rapidly, and the uses to which the internet can be put are increasing rapidly, particularly as broadband speeds increase. In this country, research as far back as 2007 showed that, at that time, 99 per cent. of children were accessing the internet and that 96 per cent. of children had access to a mobile phone by the age of 11. One third of those were using mobile internet access. This is a real issue for young people, so I welcome the fact that we have not only the excellent report by Dr. Tanya Byron and the action plan that followed it, but this very helpful report from the Committee.

Dr. Byron asked that we

"move from a discussion about the media 'causing' harm to one which focuses on children and young people, what they bring to technology and how we can use our understanding of how they develop to empower them to manage risks and make the digital world safer."

I agree with her. I accept what the Chairman of the Committee said about the importance of helping children to manage risks. To suggest that they will not access the internet would be ludicrous—they are doing so. We have to help them to manage the risks.

I feel slightly disadvantaged in this debate. Your children have been referred to, Mr. Bercow. The hon. Members for Newcastle-under-Lyme (Paul Farrelly) and for South Holland and The Deepings (Mr. Hayes) referred to their children. Mine are much older than that—I have to be concerned with my grandchildren. I shall share with hon. Members one small thing that concerns me. My four-year-old grandson, Ben, came to our house recently and saw my wife's Apple laptop. He cannot read or write, and he certainly cannot type. He had never before seen an Apple laptop computer. He started playing with it, and within two minutes, the "Crazy Frog" tune was playing and a "Crazy Frog" video was showing on the screen. When we asked him how he had accessed that, he thought that we were mad. He said, "You must know YouTube and you must know how to access it through your favourites, Grandma."

People of a very young age are accessing the internet, and it is crucial that we find ways of helping them to manage the risks. However, as has been pointed out, we as adults and as parents or grandparents have significant problems. The Government response to the Select Committee report refers to the UK Council for Child Internet Safety. I welcome its establishment earlier than originally planned. The response states that the Government, through the council,

"will consider how best to empower adults and children to make informed decisions. This may include: developing adults' skills so that they feel confident about having conversations with children about online safety".

It will have to go far further than that. I applaud very much what the hon. Member for Bridgend (Mrs. Moon) has done, for example, in taking material into her local schools. I hate putting pressure on schools to do yet more, but this issue cannot be left to parents, because many parents do not and will never have the skills necessary to provide young people with the knowledge of how to manage the risks.

Many issues are covered in the Select Committee report. I shall talk first about the video games industry. It is not mentioned in great depth in the report other than in respect of classification. Recently, I was quoted in *The Guardian* as saying:

"I hardly play any games—I'm not from that generation—but because of my job, I had to research the industry. The vast majority of my parliamentary colleagues are always wanting to ban the latest game, but they don't know the details of the industry. Few people in this country realise how important it is to the UK economy."

It certainly is important. The hon. Member for Wantage (Mr. Vaizey) has already referred to that. It is critically important: 26 million people in this country play video games. About half of them are female. A large number of them, far more than was expected, are older people.

There are many benefits to playing video games. Mr Carrick-Davies of Childnet International said that playing video games

"improves children's confidence, their sense of social standing"

and

"their ability to multi-task".

Even Dr. Byron, in her report, recognises the educational benefits of computer games.

The video games industry is a crucial part of the UK economy. It contributes some £1 billion a year, and nearly half of that money goes into the coffers of the Chancellor of the Exchequer. The industry employs 28,000 people, and we should be proud of what they have been achieving, but it does face significant challenges. Other countries—Canada, Singapore, Korea and France—offer financial help to their games industries with salary subsidies or tax credits. As a result, the UK has lost to Canada its position as the third largest producer of video games.

Mr. Vaizey: The hon. Gentleman will have heard the concerns expressed by my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) about the interactive nature of video games. He remarked that he restricted his activities to watching "Strictly Come Dancing". Is the hon. Gentleman aware that there is a "Strictly Come Dancing" video game, and would he suggest that my hon. Friend start to play that game to introduce him to this very successful industry?

Mr. Foster: Given that I have already acknowledged that I am by no means an expert on video games, I had better join the hon. Member for South Holland and The Deepings and together we will learn how to play that game.

The video games industry is a very important part of the UK economy. All the research evidence suggests that, if we do not do something to help the industry, its contribution to the economy will decline quite markedly. We need to help it, and we need to do far more to provide people with the right skills. In the past few years, the number of people graduating from our universities with computer science degrees has dropped by 20 per cent. Although there are 81 so-called video or computer games university courses, sadly, only about four of them have been recognised as adequate by Skillset. We must do more to give people the right skills and training. We must also consider ways in which we might be able to provide financial assistance, as other countries are doing.

The key issue that the Select Committee report faced was the verification system. I think that most people have now accepted that a hybrid system is totally inappropriate. It is unnecessarily complicated and confusing for customers. In coming to resolve that dilemma, the Committee came down on the side of the British Board of Film Classification taking over the classification of video games. I disagree with that, and I hope that the Minister will accept my comments as a formal response from me to her consultation, which ends on 20 November. Having examined all the evidence, I am of the view that PEGI—the pan-European game information system—is best placed to regulate age classification. I have a number of reasons for saying that, and time is tight, so I shall go through them quickly.

First, PEGI was set up in 2003 specifically to deal with the computer games industry—it was backed in this country by the Video Standards Council—and it has significant experience of doing that. As the Chairman of the Home Affairs Committee said, video games, because they require interactivity, are not the same as films. As online gaming—as distinct from shop-bought games—becomes increasingly popular and people buy add-on units bit by bit and build up a game incrementally, we need a body that has specific expertise in this area. That is why I welcome the fact that the hon. Member for Newcastle-under-Lyme, who supported the original recommendations, said that, in the light of that, we may have to think again. PEGI is therefore best placed to deal with it. As we heard, PEGI is pan-European and operates in 28 countries. I am not aware of any other country in Europe that offers a hybrid film system. PEGI is self-regulatory. As the report says at page 51, in respect of other matters, PEGI prefers whenever possible self-regulation to statutory regulation. It is also a tougher regulator than the BBFC. The BBFC has repeatedly downgraded games that PEGI deemed to be appropriate only for adult players.

Mr. Whittingdale: That is a matter of dispute. There are examples on each side, but I direct the hon. Gentleman to "Singles: Flirt Up Your Life", which PEGI rated at 15-plus but the BBFC rated at 18-plus, because of its content.

Mr. Foster: We can debate statistics, but for the record the latest figures that I have show that of the 50 games that PEGI rated at 18-plus over the past 12 months, the film rating board downgraded 22—almost half. Twenty were rated at 15, and two were given a 12 rating—including "Mass Effect", the game that boasts impalement and burning bodies among other things.

I genuinely believe that PEGI ratings are more informative, as they rate games by age and by content. Overall, my view is that that is the better bet. However, I accept the argument made in the Committee's report that

> "the widespread recognition of the BBFC's classification categories in the UK and their statutory backing offer significant advantages which the PEGI system lacks."

As I said earlier, widespread recognition, but not with statutory backing, could be achieved with an appropriate campaign. Given that the industry has come up with a traffic light system, I believe the issue can be resolved quickly.

The rest of the report deals with internet regulation, and I am largely content with its recommendations and with the Government's positive response. Self-regulation seems to be working well; at this stage, I would not want to see us going down the route of introducing strict legislation. Self-regulation is helped through a range of bodies. For instance, the hon. Member for Maldon and East Chelmsford praised the Internet Watch Foundation for its work, and I join him in that. It has been successful in getting the ISPs to work together in taking down sites of the sort that he described. I agree that we need a body that brings them together in a self-regulatory way, so that there is some uniformity in how things are done—for instance, in the time necessary for takedown and so on.

Other bodies have been mentioned. I mentioned the Child Exploitation and Online Protection Centre—CEOP. Like the Committee, I am concerned about funding for that body. On that subject, the Government's response was somewhat disappointing.

Paul Farrelly: One of the Committee's main concerns was that, if complaints are refused, no further action can be taken. I think of the suicide site mentioned by my hon. Friend the Member for Bridgend (Mrs. Moon)

[Paul Farrelly]

and the refusal of companies like YouTube to take down advertisements glorifying school massacres. Unlikely as it may seem, we heard of companies refusing to take down adverts that were plainly offensive; but there is no other body to turn to, and there is no sanction for such refusals. That is why we proposed that extra part of the jigsaw—a body along the lines of the Advertising Standards Authority.

Mr. Foster: I was moving towards saying that, and I welcome that recommendation. We need something to pull everything together. We need a clear code of practice for all ISPs and some commonality in their operation.

The hon. Member for Newcastle-under-Lyme was right about having a contact point for concerned members of the public, but another issue has been touched upon: proactive screening, which was referred to by the hon. Member for Maldon and East Chelmsford. It is odd that Google, which is responsible for YouTube, should say that that will not be possible, because of the mass of material involved; yet a similar body, MySpace, finds itself perfectly able to do so. That is another of the issues for which commonality is important.

I am delighted that the Committee should have recommended an additional piece in the jigsaw—one that will bring the various bodies together in a way that provides common standards among all providers and gives a point of call for concerned users, including parents and even young people. I am delighted that it is still to be a self-regulated body. I believe that imposing regulation on the internet would be totally wrong. Broadly speaking, we welcome the Committee's report, and we are delighted that the Government appear to be fairly supportive of it.

4.35 pm

Mr. Edward Vaizey (Wantage) (Con): I am extremely pleased to be speaking under your chairmanship, Mr. Bercow. Given that we have discussed children extensively, I hope that you will not rule me out of order if I take the opportunity to record the admiration felt by the entire House for the excellent work that you do in promoting special needs education for children and reform in that area.

I congratulate my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), the Chairman of the Select Committee on Culture, Media and Sport, on producing such a timely and useful report. However, I have one or two minor criticisms, which I shall make in the most respectful manner. I also thank the hon. Member for Bath (Mr. Foster)—hon. Members should know by now that he is my mentor—for being commendably brief; he knows that I may be under a time restraint. I apologise to the Minister in advance, but I have an Adjournment debate in the main Chamber. It should not cut into our debate, but if it does I shall have to slink off. I also congratulate all hon. Members on their contributions.

All children now effectively have access to the internet, so it is incumbent on policy makers to debate how to protect children from harmful content. A number of specific examples of what the internet is capable of producing have been cited. We are in a very new age. Protecting children from harmful content even five or 10 years ago was pretty straightforward. We had to ensure that they did not watch the wrong television programmes and did not get hold of the wrong magazines, but now they can get hold of any material they like via the computer, and also on the mobile phone.

The Select Committee's report sets out in clear detail the sort of developments created by the internet. We heard not only about access to extreme content—pornography, violence and radicalisation—but about potential changes in behaviour. The ability of unsavoury people and sexual predators to make contact with young children is a unique feature of the internet. However, it has also changed the conduct of young children.

Phrases have entered the mainstream vocabulary that were not part of it five years ago, such as cyberbullying and happy slapping. Those phrases are directly attributable to changes in technology; it gives people an incentive to behave in a certain way, which would not have happened previously. Of course, bullying existed before the internet, as did mugging, but the internet provides a bizarre focus for such behaviour.

Mr. Hayes: I am delighted that my hon. Friend is saying that the internet not only acts as a vehicle for what has always been prevalent in society—the malign, the mischievous, the malevolent—but that it may catalyse various kinds of behaviour in a particular way. As I said in an earlier intervention, that can affect everyone. We will all be brutalised, because those who are malign or malevolent have access to a different kind of media.

Mr. Vaizey: Effectively, that is what I am saying. My hon. Friend will be delighted to know that, when I move on to the regulation of the internet, freedom will not necessarily be my watchword, although it is an important element of the debate.

The Government have done some extensive work in this area and have rightly received plaudits from hon. Members, and certainly I do not seek to create any artificial party-political divide between ourselves and the Government. In March 2007, the then Chancellor, now the Prime Minister, asked Ofcom to consider certain matters, including an information campaign, software blocking, assistance to parents in restricting access and getting internet service providers to provide parents with access to blocking software. Then came the well-received and well-publicised Byron review, which was commissioned in September 2007 and reported in March.

After that came the report by the Select Committee of my hon. Friend the Member for Maldon and East Chelmsford, which rightly praised the Home Office task force on child protection on the internet. It brought together in the same room the relevant parties to get them to talk about the issues—that sounds like a trite way of describing the taskforce, but as I have discovered in my political career, bringing parties together in the same room is probably the most valuable thing that can be done when trying to get any initiative off the ground. As a result of the Byron review, the Government brought forward—this is another cause for congratulations—the introduction of the UK Council for Child Internet Safety, which effectively is a beefed-up version of the Home Office taskforce.

I agree completely with my hon. Friend—I think that the Minister does, too, judging by her reaction to his remarks—that we should have one Minister with clear

responsibility for the issues before us. I understand, of course, why different Departments want to have a say in this debate. There are four relevant Departments: the Home Office and the Departments for Children, Schools and Families, for Business, Enterprise and Regulatory Reform, and for Culture, Media and Sport—but just saying that exhausts me! As hon. Members have mentioned, people want a hotline that they can ring to get through to an internet service provider. Similarly, however, policy makers need to know that they can go to one Minister and that their concerns and interests will be followed up.

Mr. Don Foster: Given that there is to be at least a dual-headed chairmanship, does the hon. Gentleman not find it bizarre that the DCMS, which has a Committee that has investigated the matter, will not be represented, because the DCSF and the Home Office have been chosen instead?

Mr. Vaizey: Absolutely. I do not wish to make up policy on the hoof, but we would not necessarily vigorously oppose it if it transpired that the single Minister in charge of that committee were to come from the DCMS.

The Child Exploitation and Online Protection Centre has been enormously successful. Essentially, it is a branch of the Serious Organised Crime Agency—the police arm of child internet safety—and has gained a very good reputation. Again, I note my hon. Friend's remarks, particularly in the report, about the concerns about continued proper resourcing of that organisation, which has proved itself to be extremely effective. It deserves proper funding.

I would like to touch on a matter that frustrates me about this Government. The issues before us have been well canvassed today and in the report; we know what the problems are and imaginative solutions have been created. However, yet another review is being conducted into the matter. My hon. Friend pointed out that Dr. Tanya Byron's work is not yet done, because she has been appointed to another committee headed by Lord Carter, a newly appointed Minister. Clearly Ministers must get briefed: they must arrive at their offices, get sat down and be asked by their officials, "What review would you like to start, Minister?" We have had reviews on convergence, the internet, broadband, copyright and so on, and now Lord Carter has his digital Britain review, which comprises all the people who conducted those other reviews. So, having conducted her review of online protection, Tanya Byron suddenly finds that she is a member of a review of the reviews. It is becoming an absurd "Yes Minister" situation. All the public want are some decisions and action.

On internet regulation, my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) departs just as I concede to his superior wisdom and his constraints on freedom. It is absurd to say that we must not regulate the internet. It is utterly ridiculous to me. These large, multinational companies provide internet services that go directly into people's homes. Their work is not that different from that of broadcasters. The internet is a unique and new technology in its ability to allow the consumer to put up content and create a bespoke service for themselves. However, it is absurd to say that the Government should have no role, when this is being piped into our homes.

I echo the comments of the hon. Member for Bath about self-regulation being the best way forward where effective. I also counsel caution, because the internet is in part one big conversation. The trouble is that we now hear conversations that we could easily have avoided a few years ago. The hon. Member for Bridgend (Mrs. Moon) recounted some of the revolting comments that she has chanced upon on the internet, particularly about dead babies and the prevalence of suicide in Wales. Those are put there by vile people who would have such conversations in the pub regardless. The trouble with the internet is that those pub conversations are now on our computer screens.

Paul Farrelly: The hon. Gentleman said that it is absurd to say that we cannot regulate the internet, but it is a myth that the internet cannot be regulated. Too often, people say, "Oh, it's the internet; we don't know where it is. It's around the world, so it cannot be regulated." That is a recipe for inaction. In fact, as we found out, everybody who connects to the internet has to do so through an internet service provider in their home country. We are not sufficiently advanced that people can connect without those intermediaries via satellites, and connections can be regulated.

Mr. Vaizey: The hon. Gentleman is absolutely right.

To a certain extent, it is in big brands' self-interest to self-regulate. For example, in some instances, blogging has become the equivalent of the green-ink letter. On newspaper sites, the comment pages are moderated. When I post one of my superb articles on "Comment is Free" on *The Guardian* website, very kindly its staff protect me from the most aggressive and lewd comments that might be posted, because it is in the interests of the website and *The Guardian* brand not to have a complete free-for-all in terms of swearing or libellous comments. However, internet service providers, and some of the enormous companies that we have been talking about, such as Google and YouTube, must show a sense of social responsibility.

The hon. Gentleman is quite right. Those organisations say, "We are the pipes, and we cannot regulate the content that passes through those pipes." They say that it would be like asking Royal Mail to check the contents of every envelope. Well, it is not. If, for example, I decide to send by direct mail a letter to every household with "Open this envelope for really hardcore pornography" written on it, hon. Members and the Government would be perfectly within their rights to say to Royal Mail, "Do you mind intercepting this material and ensuring that it is not posted to every household?" It is perfectly possible to use search engines to track down unacceptable internet sites. As has been said, we are not talking about checking every 12 hours of video content uploaded on to YouTube. We are talking about using common sense to ensure that the worst material is targeted and taken down.

In that sense, some of the recommendations in the Select Committee's report are right. The Government must take a lead clarifying the e-commerce directive so that internet service providers know that they will not be caught inadvertently by it. Moreover, we need to work harder to get a common set of terms and conditions and to ensure that there are quicker take-down times for some of the more unacceptable sites.

[Mr. Vaizey]

I want to make a number of general remarks about how we promote internet safety, particularly for children. All of us have talked about our children and grandchildren. I do not want to be left out of that debate, so I can now inform the Chamber that I, too, have children. One is two years old and the other is eight months old. My two-year-old introduced me to YouTube, although not personally; we had watched the DVD "Ted the Tractor" 15 times, and I was running out of inspiration. I remembered the website YouTube, went on it and typed in "tractor". I can assure hon. Members that, as far as I am aware, there is nothing obscene to do with tractors on YouTube, and Joseph and I had a very nice time watching tractor videos.

If I wanted to regulate Google or the computer in our sitting room when Joseph is slightly older, I would not have the first clue how to go about it or where to start, nor would I know how to access information on the number of concerns that have been raised. I typed "child internet safety" into Google. The eighth site that came up was CEOP. I happened to know what CEOP is because it falls within my brief and I have read up about it. I hesitate to say this because it might appear rude or patronising, but I suspect that the average man or woman on the street—

Mrs. Moon: Perhaps I can help the hon. Gentleman. I can provide him with a booklet published by Google, which gives a step-by-step guide on how to put in place all the secure systems that one needs for their young child. I know that Google publishes such a booklet because I have distributed it around the schools in my constituency.

Mr. Vaizey: I cannot start a conversation with the hon. Lady about that now, but I would be interested to know how she found out about that booklet. She makes the point for me. It should not be in the middle of a debate in Westminster Hall that I discover that Google has a booklet. The fact should be very prominent on Google's website. It has links to "Maps" and to "Earth". Why can it not have a link to a site called "protect your kids on the web"? Clicking on that link should give us the Google guide. That is what I call social responsibility.

As I said, CEOP is a meaningless phrase. I only understand it because it falls into my brief. This may sound trite, but why can we not start giving organisations names that people understand, such as the internet police or other similar phrases? We need normal language. Child Exploitation and Online Protection Centre is a name that has clearly been written by a lawyer. It is full of long words, and is utterly meaningless. It does not tell us what CEOP actually does.

Yesterday afternoon, I typed in "child abuse police". The first site that I got was for the National Association of Citizens Advice Bureaux. This is an interesting point that I would like the Minister to address. When I typed in—in the vernacular, as it were—"How do I protect my kid on the internet?", I got a range of different sites, such as "protecteverychild". It is at this point that one enters a potentially surreal world. How do I know that "protecteverychild" is a legitimate site? I have no idea who put up that site or whether it is an official site. There are numerous sites that are probably put up by concerned parents in a random way, which may give leading or misleading information. Therefore, rather than having endless reviews, I would like the Government to take the issue by the scruff of the neck and show a bit of imagination and proactivity—I know that that is a dreadful word—in finding out what kinds of sites there are. They should check the Google rankings of the official sites that are meant to give advice, and they should start to think like a mum and dad about how on earth they can get the information that they need. That leads me on to the astute comparison of safety on the internet being like safety crossing the road.

I remember the green cross code man from my childhood. He was a hero in many children's lives. Somewhere in my attic, I still have a signed photograph of the green cross code man, who later became Darth Vader. It strikes me that the Government should consider a proper public information campaign. We have one about digital Britain. The Government are not averse to using cheesy cartoon characters to get their message across. We have Digit Al telling the country how to convert to digital television. Why can we not have a public information campaign that runs year in, year out, and points mums and dads to the right places?

Paul Farrelly: I thank the hon. Gentleman for giving way. I did not want to interrupt the Darth Vader story. With regard to industry rankings and league tables, I have a strong memory of when the Labour Government came into power in 1997. They quickly cut through the nonsense said by the financial services industry that naming and shaming people over how many pensions or policies they mis-sold would not work. In fact, it was instrumental in getting the industry to clean up its act. Similarly, the Committee considered whether the industry—whether through the council or the Government—should be forced to publish league tables of take-down times and how long it took it to respond to complaints.

Mr. Vaizey: I completely agree with the hon. Gentleman, and I am now into the territory of making up policy on the hoof. Internet providers will come back and say that such a system will cost too much and that it is bureaucratic and so on. None the less, the Government are in a position to put out the information, and it is up to the internet service providers to react to it. If they are happy to be 55th in a league table of take-down times, so be it, but it should be something that they consider. It is part of their brand and part of the way in which they can sell their services to parents to show that they are socially responsible providers that help to protect children from harmful content.

As I have been progressing in my speech, I have noticed a lot of raised eyebrows, so it is clearly time to bring my remarks to an end. I want to turn briefly to video game classification. This is where I bring in my mild criticism of the Chairman of the Select Committee. As has been pointed out by the Chairman of the Home Affairs Committee, the right hon. Member for Leicester, East (Keith Vaz), I am a strong supporter of the UK video games industry. The title of the Select Committee report, "Harmful content on the Internet and in video games" continues to promote the myth that all video games are harmful. Clearly, that is nonsense. Most video games are not harmful; nor do they contain

inappropriate content. Most kids play football video games, which are extraordinarily realistic. As I pointed out earlier, my hon. Friend the Member for South Holland and The Deepings can introduce himself to video games by playing "Strictly Come Dancing".

I suggest that there should have been a separate report, pointing out what a pea soup the current system for classifying video games is. The system is a perfectly legitimate issue to consider and one that needs to be sorted out. I echo and support a lot of the comments made by the hon. Member for Bath. He pointed out how important the video games industry is to the UK economy. The Government continue to sit completely on their hands, as Canada mounts an extremely aggressive campaign to attract video games companies to Canada. I have no doubt that the Chairman of the Home Affairs Committee will be paying their air fares. The fact is that they contribute to the UK economy. The Government's excuse for inaction is that they are taking up the matter with the World Trade Organisation. However, by the time it gets a hearing there, our video games industry could well be on the floor.

There are some strong merits to the argument that the British Board of Film Classification should take over the classification of video games. It already classifies 18-plus films. The BBFC says that, if the role were extended to 12 and over, as it wants, it would have to deal with 300 to 500 extra games over and above the 270 that it already monitors. Similarly, PEGI has some strong advantages. By its very nature, it is a pan-European system. One of the advantages of playing legitimate online video games—I do not include "Kaboom" in that group, as I said earlier—is that one can play with people from across Europe.

Keith Vaz: There is nothing wrong in principle with increasing the size of the 18-plus warning label on the front of a video game to make it clear that it is for adult consumption only. The hon. Gentleman has no objection to that, has he?

Mr. Vaizey: None whatever. I have no objection to the right hon. Gentleman criticising "Grand Theft Auto", either. I have never played "Grand Theft Auto", and from the way that he described it, it does not sound like a particularly edifying game. The only point that I wish to make is that I feel that the whole video games industry has been unfairly tarred with the same brush on the back of one or two inappropriate video games. As I said earlier in an intervention on the Chairman of the Select Committee, hon. Members should remember how important, successful and legitimate the vast majority of the industry is.

PEGI has the advantage of being a pan-European system. It also enables people to play online together. The point that PEGI made to me at the secret tea exposed by the Chairman of the Home Affairs Committee was that, if Europe had split rating systems, an 18-year-old who went online to play a game rated 18 by PEGI but classified differently by the BBFC might find themselves playing what they regarded as an 18 game not with adults, as they expected, but with a 15-year-old in the UK or another jurisdiction.

Keith Vaz: To be clear about this, I did not expose the hon. Gentleman at the secret tea; he came up to me and told me that he was having tea with some of my best friends.

Mr. Vaizey: That is absolutely right.

There are advantages in both systems. The consultation closes on 20 November, and we look forward to a swift decision from the Government about how things will proceed. From our point of view, we want one rating system, with ratings as prominent as the Chairman of the Home Affairs Committee wishes.

Mr. Don Foster: I am grateful to my mentee for giving way. As his mentor, I advise him that, in his position as the lead spokesman on the issue for a major political party of this country, he might have been expected to come down on one side of the fence or the other, rather than saying that he is looking forward to the outcome of the review. Can he tell us what the Conservative party's thinking is?

John Bercow (in the Chair): Order. Before the hon. Member for Wantage does so, and although I am conscious that his speech is both stimulating and informative, he is about to take longer than will be left for the Minister.

Mr. Vaizey: It is a humiliating position not only to be admonished by the Chair but to be accused by a Liberal Democrat of sitting on the fence, but I would say to my mentor that, sometimes, one should pause and hear all the evidence. If the Government are going to spend taxpayers' money on expensive consultation on the system, it is important to see the evidence before coming to a final view. I hope that my mentor does not suffer from having come to a premature conclusion. With that in mind, I will sit down and wait to hear from the Minister.

5.4 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Barbara Follett): Thank you for your calm chairing of this extremely interesting debate, Mr. Bercow. I thank and congratulate the Select Committee on Culture, Media and Sport for its valuable and thoughtful report. It is sometimes difficult to read all the way through a Select Committee report without feeling slightly sleepy, but this one kept me awake and provided me with a great deal of useful information and much to think about, particularly as I was taking over my new portfolio and it was timely for me.

As the Chairman of the Select Committee made clear in his opening address, the issue is one of great concern to many: especially, as we have found out today, to parents. I have five children and four grandchildren—I think that I trump everybody here—and I spent quite a bit of time last weekend trying to extract my 10-year-old granddaughter from a rather noxious video game that she had found on the internet.

The work of the Committee in this crucial area will inform the Government's work going forward and will, I am sure, fuel the debate among people and parents across the country. It was not that long ago that we all started playing the first tennis games in the mid-80s—little Pingu-type games. They were terribly innocuous. If such changes have happened in 30 years, just imagine what will happen in the next decade.

It is precisely the fast-moving nature of the issue that makes it so difficult. It is new; for some of us, like me, it is difficult to understand and access; but as many Members have stressed today, it can bring huge benefits as well as

[Barbara Follett]

causing huge problems. We heard some of those problems outlined graphically by my hon. Friends the Members for Rossendale and Darwen (Janet Anderson) and for Bridgend (Mrs. Moon). That is why the Government's response to the Select Committee report generally supported the thrust of its recommendations.

In my response, I should like to give hon. Members some idea of what the Government are doing to follow up those recommendations and what other new work we have put in train. We need organisations and mechanisms that are robust, strong and, as Dr. Byron emphasised in her report, future-proofed.

Mr. Hayes: I can tell that the Minister is about to avail the Committee with an extensive list of the proposals that the Government have formulated in response to the Select Committee report, which I welcome, as have other Members. Will she consider adding to her list the imaginative suggestion of my hon. Friend the Member for Wantage (Mr. Vaizey) that we should have some figure—some national treasure like the green cross code man—to send a persuasive and attractive message to children? Given that Her Majesty the Queen—our principal national treasure—is not available, perhaps Bruce Forsyth might fit that role, as our own generation's green cross man.

Barbara Follett: I am sure that the council will consider that. We must get the message across, and it is through such figures that children understand exactly what we are talking about. The green cross code man certainly played a big part in my children's life.

The key to the problems that hon. Members have so graphically detailed is responsibility. The hon. Member for South Holland and The Deepings (Mr. Hayes) alluded to that kind of responsibility. It is responsibility on the part of providers, users and manufacturers, and it must cut right across. Without that responsibility, we can have no trust. The Government seek to provide services and advice that people trust. I was glad to hear that my hon. Friend the Member for Bridgend had taken it on herself to go out and give advice. We certainly need that to happen, and it is a good campaign for hon. Members to follow in their constituencies. She has given me a great idea. Going into a school as a trusted figure is exactly the way to do it. The search for trust is what led us to commission Dr. Byron's report and to establish the UK Council for Child Internet Safety, as she recommended.

As my hon. Friend the Member for Newcastle-under-Lyme (Paul Farrelly) and many other hon. Members said, Dr. Byron's work was excellent. She explored the multiplicity of issues that come under the heading of this debate and she also gave a very good guide on how best to strike a balance between Government action, self-regulation and parental monitoring, which is not easy. As anyone who has been a parent knows, it is terribly difficult to release children to experience things on their own and to act responsibly at the same time.

As hon. Members will know, the UK Council for Child Internet Safety was launched in September. Shortly after its launch, the Government moved our involvement in this area up another gear. The reason why we did that—to enlighten the hon. Member for Wantage (Mr. Vaizey), who is the prince of shadow Ministers—was not just to proliferate reviews. The Byron review was focused, but afterwards people asked for a wider focus than just child safety. Consequently, Lord Carter, who was appointed as Minister for Communications, Technology and Broadcasting a month ago, announced that he would lead the "Digital Britain" report. There will be an interim report in January and a final report in the spring. We have brought forward the publication of the final report to make it quite quick, because, as the hon. Member for South Holland and The Deepings said, we cannot keep having reviews. We needed to broaden the base of that review.

Lord Carter embodies something that is quite unusual but not so unusual in my right hon. Friend the Prime Minister's Government, in that he reports to two Departments; the Department for Business, Enterprise and Regulatory Reform and the Department for Culture, Media and Sport. I know that hon. Members were concerned that there should be one lead Minister in this area. If they have not done so already, I urge them to read the book written by my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman), entitled "How to be a Minister". In that book, he gives details of a disease from which many Ministers suffer: the very grave and critical disease of "departmentalitis"—in other words, the silo mentality that leads a Minister not to see beyond the boundaries of their own Department. The spread of that disease is, of course, encouraged by a Minister's civil servants, because they also suffer from it; it is a highly infectious disease. We are trying to counter it by having two Ministers dealing with this area, together with a director from the DCMS and another official involved in the "Digital Britain" report. Of course, I also interact very strongly with the "Digital Britain" work.

Returning to the Select Committee report and our progress on it, we agree with the Committee that it is essential to strike the right balance on the risks and benefits of the internet. However, as many of the Committee's recommendations now fall under the remit of the newly formed UK Council for Child Internet Safety, I am not able to give the Committee members the very detailed responses that they want from me; in fact, it would be wrong of me to do so. However, I know that the council will be listening and watching, and I hope that it will be able to give the Committee those responses, because its recommendations merit very deep consideration. I hope that, when the council produces its report, the Committee will find that some of its recommendations have been taken up.

I will work with the council and we will take into account the useful and sensible comments that the Select Committee made in its report. For example, we agree that effective screening measures are needed—many hon. Members made that point today. We also agree that the CEOP is doing excellent work and that that work should be properly resourced. However—I am about to give the Committee an answer that is affected by "departmentalitis"—CEOP falls under the Home Office and that is a Home Office matter, which must be considered within its resource allocation. I thought that I made that point quite well, although my right hon. Friend the Member for Manchester, Gorton would pronounce mine to be an extreme case of

"departmentalitis". However, we have noted what the Committee said about CEOP: it does good work, which needs to continue.

The Government will also work with the newly formed council to develop an independently monitored voluntary code of practice on user-generated internet content. As several hon. Members said, that content can be highly disturbing. I will not forget an elderly woman coming in to see me five or six years ago. I am sorry to say that her son-in-law had superimposed her head on a series of pornographic images and then made them easily available to members of her family on a website. It turned out that there was absolutely nothing that could be done to stop that, and she was mortified. Obviously, her relationship with her son-in-law ceased.

We also agree about take-down, take-down times, and levels of search. The information on those things needs to be made much clearer. Like my hon. Friend the Member for Bridgend, I think that we also need to make it much clearer that the ISPs have, in some cases, produced booklets with this information. However, those booklets are not as well advertised as other things on their services and the providers should be encouraged to make them far more prominent.

Paul Farrelly: I have read "How to be a Minister", and much good it has done me.

The Minister will know that regulatory bodies are subject to industry capture. That was something that Helen Liddell, our old colleague, recognised when she went into the Treasury and made sure that the Financial Services Authority published league tables of those firms that were the worst culprits in pensions mis-selling. On take-down times, however, we may find that the industry leaders will not want to be No. 55 on the list but rather No. 5.

Barbara Follett: I thank my hon. Friend for that suggestion. I must say that, although targets and similar things are very unpopular, name and shame can sometimes work very well indeed.

We also want levels of search to be locked in, so that that is where users go each time—that is the default setting. Like my right hon. Friend the Member for Leicester, East (Keith Vaz), we also want prominently displayed safety information on video games.

My hon. Friend the Member for Newcastle-under-Lyme spoke about pre-screening of user-generated internet content. I am very glad to see that MySpace is doing that. It is that kind of responsible action that we are looking for, as it means that people can trust a company.

Many people have said that the internet is like the wild west in the gold rush, and that sooner or later it will be regulated. Obviously, what we need is for it to be regulated sooner rather than later. We need the service providers themselves to come forward and show that they are the sort of responsible organisation whose services we can trust our children and vulnerable adults—they should not be left out of this picture—and even some adults who are not so vulnerable, like myself, to use. I myself have been quite shocked to find that I can accidentally put in a search parameter that will produce something that was certainly not what I, a boring MP, was looking for.

We must ensure that the search engines have a clear link to child safety information and safe search settings on the front page of their website. I very much like the "stranger danger" analogy that my hon. Friend the Member for Bridgend used, because we must teach children the dangers of the internet. It is sad to make children more scared than interested, but fortunately, the internet is so interesting that children tend to overcome their fear.

We must also work on developing parental control software. As the Chairman of the Select Committee, the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale), rightly said, the watershed is terribly porous. In fact, it is like a sieve. People can get straight through it, or straight by it. We need that control software to communicate automatically with websites' age verification systems, to prevent children from signing up to sites with false dates of birth.

I know that the question of identity cards is one that divides this House, and not on party lines. However, one can see the value of some form of age verification, some sort of card. It is useful when it comes to alcohol and cigarettes, and it is certainly useful when it comes to buying video games and other material on the internet.

Mr. Don Foster: May I suggest a system that some organisations use? Whenever a credit card is used for age verification, the relevant bank puts in the monthly statement that it was used in that way on a particular date for a particular reason. Is the Minister interested in exploring the possibility of taking that system further?

Barbara Follett: That is worth exploring, particularly as many children have access to their parents' credit cards. I hope that the council will consider that. Suggestions like that sometimes look good, but then there turns out to be a problem. At first glance, however, it looks like a good idea.

The issue of video games classification is more difficult. I say that as the mother of two boys who consume such games and play each other online. They are not boys, in fact, but are in their late 30s and early 40s, but they still play. Some of the things that they play make my hair stand on end.

Dr. Byron looked into this issue and, like us, was very concerned about it. The Government have looked at the research on the harmfulness of video games. As today's debate has shown, there is no single view on that. At the moment, there is no compellingly persuasive evidence to suggest that violent games lead to violent behaviour. I say that as someone who is personally somewhat doubtful about how good or bad they are. The research from Iowa that my right hon. Friend the Member for Leicester, East has mentioned purports to have found a link, but that is a long way from scientific proof of a cause. We need to see the sort of scientific proof that eventually came out about the effects of nicotine consumption before we can act.

Mr. Hayes: The difficulty is not with the scientific method. It is hard to glean empirical results in this area, because the effect is diffuse, subtle and, to use a word I used earlier, implicit. It is intrinsic and subliminal, and those things are hard to prove. That does not mean that the research is not valid, but it certainly means that it has to be ongoing and thorough. When I spoke—

[Mr. Hayes]

inadequately—earlier, I made the point that there is a dynamism about this subject that requires constant vigilance. People want a crackdown on the worst. I am sorry to be so blunt, but the public expect nothing less than that sort of crackdown.

Barbara Follett: I agree. The hon. Gentleman is right to say that this subject must be kept under constant review. I also agree with Dr. Byron that action is needed now, and there is no point in getting caught up in that debate, because it will be difficult to reach a conclusion. Let us focus on what we can agree on and what we can do. Violent material is simply inappropriate for children, as is some other material. We do not need proof of that, because we know it to be the case. The best thing to do is to ensure that we have the best possible system in place to ensure that games that feature violence or other unsuitable content are not sold to children.

Dr. Byron found many positive aspects of the systems already in place, but she also identified weaknesses. In the end, she outlined the attributes that a classification scheme for games should have. She set out a potential solution, and recommended that we carry out a consultation. That consultation closes on 20 November, and I, like the hon. Member for Bath (Mr. Foster), am looking forward to seeing the results.

We are looking for a trustworthy system with a uniform and clear set of symbols, which is absolutely clear to people. There must be a statutory basis to the video games classification system from age 12 onwards, and a non-statutory system up to age 12. The system has to be flexible and future-proof, it must work for the games industry and it must support retailers. It must also reflect the evidence on potential harm, as has been said. We are not looking to ban games.

Mr. Don Foster: What the Minister just listed is identical to what Dr. Tanya Byron recommended, and would obviously lead to the BBFC system being used because, as the Chairman of the Select Committee has rightly said, the BBFC system is statutory and PEGI is not. Is the Minister saying that the Government are not open to having a non-statutory code and they have already decided on BBFC? That is what she has just said she is looking for.

Barbara Follett: No; I assure the hon. Gentleman that that is not what I meant. At the moment, the BBFC system is statutory and PEGI is not, but if we went for PEGI, we would make it statutory. Dr. Byron gave four possible ways of dealing with the problem. Whichever one we choose will have to be statutory, but there has been no pre-choice.

I am very much in favour of video games. Any hon. Members who have played the new brain-training games will know that they are extremely helpful to a woman who is well past middle life. My grandchildren are very glad that I have improved my brain level.

Mr. Vaizey: If only other Ministers—

John Bercow (in the Chair): Order.

Barbara Follett: The message from internet service providers, video games makers and the people who consume them is that they do not want to lose freedoms. They do not want heavy-handed regulation, but we have to bring some order to the growing chaos out there. We must have a system that we can trust to act responsibly.

In conclusion, dealing with this issue is crucial for the present and the future, because it will affect how our children grow and the values they hold. It is about us communicating values to our children to allow them to sift through the information that they get and make informed choices. We cannot protect them totally from the world—indeed, that would be wrong—but the world out there is a cruel, hard and quite horrible place, as hon. Members have so graphically shown. I was very glad that the dead baby website had only 100 signed-up members, whereas the site that was set up to fight against it had 150,000. That gives me faith in the ability of humanity to choose the best of this wonderful new product and to reject the worst.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes past Five o'clock.